

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

## Important News from New England Life

*For Present Policies* (Issued prior to November 1957).....

### EXTRA MONEY FOR 1958 DIVIDENDS

Increase in scale, for fifth consecutive year, will call for apportionment of \$31,700,000, which is \$1,500,000 more than the amount required for normal increment due to company growth.

*For Future Policies* (Issued during and after November 1957).....

### DIVIDENDS WILL BE GRADED

according to the face amount of each individual policy in the following four size-groups:

Below \$2,000  
\$2,000-\$4,999  
\$5,000-\$14,999  
\$15,000 and over

On policies with Family Income or Level Term riders attached, the size-group is determined by the face amount of the basic policy, excluding the amount of the rider.

#### OTHER FEATURES

No reduction in any gross premiums.  
Dividend adjustments within the size-

group affected will be the same for *all plans* of insurance including Term, for *all ages* and *all durations*.

Ordinary Life policies of \$15,000 or more will have *more generous guaranteed surrender values*.

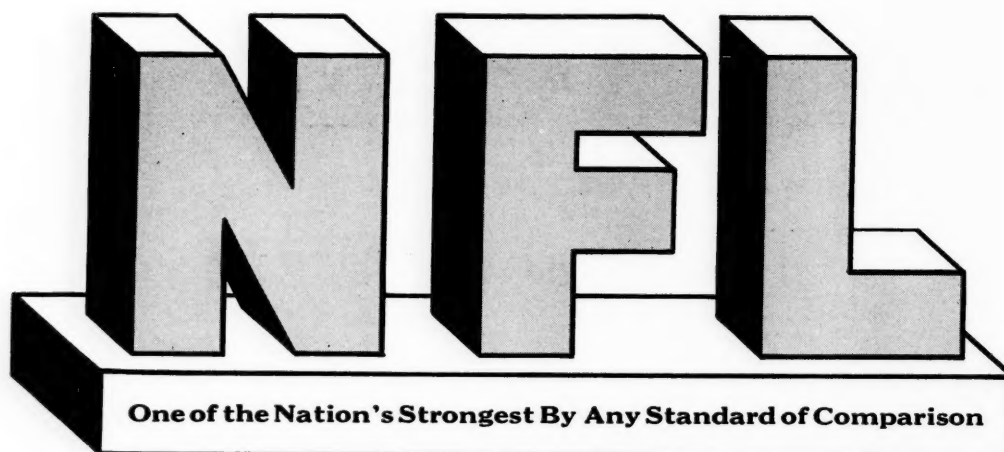
Female applicants for \$15,000 or more Ordinary Life at age 28 or over, will receive a *special extra dividend* over and above those paid to male lives.

Ask your New England Life general agent for further details.

## NEW ENGLAND

*Mutual* LIFE *Insurance Company*  
BOSTON, MASSACHUSETTS  
THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA — 1835

**FRIDAY, NOVEMBER 29, 1957**



*Announcing To*  
**UNDERWRITERS AND BROKERS**  
*Our New*  
**FAMILY GROUP POLICY**

**CHECK THESE FEATURES:**

- Permanent Insurance—Not Term
- Ages Birth to 75
- Two or more members of family
- Full death benefit with D.I.—Age 0
- Conversion up to 5 times—Not Compulsory
- Simple Application
- Quality Product for Quality Buyers

*This family group policy is the newest addition to our brand new kit of Life, Accident & Health and Group Policies.*

**OPPORTUNITY**—For Direct Brokers, General Agents, Salaried Supervisors—In Ark., Colo., N. Dak., S. Dak., Hawaii, Ill., Ind., Ia., Kans., La., Minn., Mo., Neb., Okla., Ore., Utah, Wash.



**WRITE WYLIE CRAIG OR BEN TAYLOR, VICE PRESIDENTS**

**NATIONAL FIDELITY LIFE INSURANCE COMPANY**

**KANSAS CITY 6, MISSOURI**

**W. Ralph Jones, President**

**FORTY-SECOND YEAR OF FAITHFUL SERVICE**

# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

Nov. 29, 1957  
61st Year, No. 48

## Notables Slated To Address LIA Annual Meeting Dec. 11-12

**Modern Merchandising, Foreign Affairs And Labor Are Featured Topics**

NEW YORK—An array of prominent speakers from other fields, a panel discussion on modern merchandising, and a symposium on international affairs will be features of the annual meeting of Life Insurance Assn. of America at the Waldorf-Astoria hotel Dec. 11-12.

Coming from outside the life insurance business to address the gathering will be William McC. Martin Jr., chairman of the Federal Reserve Board; Lester L. Colbert, president of Chrysler Corp., and James P. Mitchell, U. S. Secretary of Labor.

Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, will act as moderator of the panel discussion on merchandising. Participants will be Henry S. Beers, president of Aetna Life; Roger Hull, executive vice-president of Mutual of New York, and Benjamin N. Woodson, president of General American Life.

Speakers taking part in the international affairs symposium will be Adolph A. Berle Jr., Nelson A. Rockefeller, and Clarence B. Randall.

The sessions will open at 10 a.m. on Dec. 11 with an address by Benjamin L. Holland, association president and president of Phoenix Mutual Life. His subject will be "Cross Currents." Following this will be a discussion of current problems in which the audience will be invited to participate. There will also be reports covering life insurance investment experience during 1957, life insurance in force, new business, and disbursements to policyholders and beneficiaries.

Chairman Martin of the Federal Reserve Board will be the speaker at the association's luncheon on Dec. 11 in the grand ballroom at the Waldorf. His address, which is expected to touch on important questions of monetary policy, promises to be of outstanding interest to the life insurance executives.

The entire afternoon session, which will be devoted to the marketing topic, will open with the address by Mr. Colbert, who will discuss his industry's experience with problems in this field. The life insurance panel on modern merchandising will follow.

The morning session on Dec. 12 will be devoted to the symposium on international affairs. Mr. Berle will be the first speaker. Distinguished as a lawyer, educator and economist, his experience with international problems began as far back as 1918 when he was a member of the American commission to negotiate peace with Germany. Posts which he has held since include that of financial adviser

(CONTINUED ON PAGE 20)

## ALC-LIA Protest

### Reversion To 1942 Tax Basis Would Be Grossly Unfair

WASHINGTON—American Life Convention and Life Insurance Assn. of America have formally presented to Secretary Anderson a statement urging the Treasury department to support an extension by Congress of the Mills law to cover the tax year 1957, according to a joint general bulletin being sent by the two associations to their members.

The joint bulletin includes a copy of a letter which has been sent to the secretary reviewing the reasons why the Mills law should be extended. The letter emphasizes that the 1942 life company tax formula was abandoned in 1947. Since then Congress has shown no intention to revive it and the Treasury has never advocated such action, the letter to Secretary Anderson says. Reapplying the abandoned formula would so drastically change both the basis and incidence of federal income tax on individual companies that it would amount to enacting an entirely new law.

The letter addressed by the associations to the secretary is accompanied by a detailed memorandum incorporating the views of their joint tax committee on broad aspects of life company taxation, including a summarized history of federal taxation and a discussion of the various income tax methods which have been followed or proposed.

In their message, which elaborates in detail views previously outlined verbally to the secretary in a conference at the Treasury department between him and association spokesmen, the ALC and LIA stated:

"Since its abandonment in 1947 Congress has evidenced no intention of reviving this old formula and the Treasury has never advocated such action. Consistent with this intention, legislation superseding the 1942 formula has been enacted to cover every taxable year since 1949. To revert to the 1942 law after eight years of suspension would change the basis and incidence of taxation so drastically that such action for all practical purposes would constitute legislating a new tax law. Certainly such action should not be taken without giving the life insurance business an opportunity to state its objections in open hearings before the ways and means committee.

"The 1942 act, which was enacted during World War II, produced approximately \$27 million for the year in which it was enacted. By 1947 this formula produced no revenue. In recent years the 1942 formula has reversed itself in the direction of a confiscatory tax. Thus, in 15 years the 1942 law has wandered from a tax of \$27 million to no tax and then reversed itself in the direction of an inordinate tax which, for tax year 1957, would amount to \$420 million. If ap-

(CONTINUED ON PAGE 20)

## Oct. Ordinary Sales Of \$4 Billion Is New Monthly Mark

Ordinary life sales in October set a record for any month by totaling \$4,023,000,000, up 20%, according to LIAMA.

Total life insurance sales amounted to \$5,732,000,000, up 18%, for the largest October on record. Group life sales also set an October record by totaling \$1,199,000,000, up 28%, representing only new groups and not additions to existing contracts. Industrial life sales were \$510 million, down 10%.

Ordinary sales in the first 10 months rose to a record \$37,022,000,000, up 28%. Total sales were \$53,245,000,000, up 23%, also a record.

Group sales totaled \$10,981,000,000, up 23%. Industrial sales were \$5,242,000,000, down 4%.

LIAMA's figures did not include credit policy sales.

## Policyholders Of L. A. Insurer OK Merger With Western & Southern

Policyholders of Guaranty Union Life of Los Angeles have approved the merger of that company with Western & Southern Life.

The merger will bring total assets of Western & Southern up to \$820 million and will make the company 19th in size among U. S. life companies. It will also enable the company to expand operations into 11 western states and Alaska and Hawaii. Western & Southern has bought or reinsured three other companies—Life of Missouri, Imperial Life, and Texas Prudential—during the past few months.

The merger will become effective upon the approval of the Ohio and California departments.

## Supreme Court Denies Rehearing For Crafts

U. S. Supreme Court has denied a petition by President James F. Crafts of Fireman's Fund for a rehearing of its Oct. 14 decision which upheld the right of federal trade commission to subpoena the company's A&S advertising records. The Fund applied for a rehearing on grounds that the high court's decision only established the legality of the FTC subpoena but did not decide on the company's argument that FTC only has jurisdiction where insurance is not regulated by state law.

## Seaboard Life Of Miami Is Sold

Controlling interest in Seaboard Life of Miami has been acquired by Martin D. Von Zamf, attorney; Albert B. Myers, vice-president of Brown-Allen Chemicals, Inc.; Bernard Rodins, owner of Marlin Equipment Co.; Simeon D. Spear, accountant, and Sam Seiltin, president of Seiltin insurance agency, all of Miami. The purchase price was not disclosed. Seaboard, founded two years ago, has \$4 million of life insurance in force.

## N. Y. Proposal Would Open Major Medical To 'Blue' Plans

**Legislative Committee Will Hold Hearing Dec. 12; Other Amendments On Agenda**

NEW YORK—An amendment to the insurance law that would permit Blue Cross and Blue Shield plans to write major medical freely, in competition with insurance companies, will be discussed at a hearing to be held here Dec. 12 by the New York state joint legislative committee on health insurance plans, headed by Sen. Metcalf of Auburn. It will open at 10 a.m. at the New York County Lawyers Assn. building, 14 Vesey street.

The major medical proposal comes from the Buffalo Blue Cross and Blue Shield, which want to write a major medical contract on a large labor union. It would permit a Blue Cross and a Blue Shield plan to underwrite jointly a major medical plan. Present law permits joint issuance of contracts but prohibits pooling of underwriting and liability.

The New York law at present keeps the hospital service plans separate from medical-surgical indemnity plans. It is technically possible for major medical to be underwritten by Blue Cross and Blue Shield organizations but in practice it is so awkward administratively that it is hardly ever done.

Any plan set up under the proposed amendment would be subject to the insurance superintendent's approval. The amendment would still prohibit an individual hospital service or medical-surgical plan from crossing over into the other's bailiwick. There would be no expansion or restriction of writing powers.

Such a major medical plan would be superimposed on the regular Blue Cross and Blue Shield plans, very much as a company-underwritten major medical is often written to supplement the basic Blue Cross-Blue Shield coverage. An effort was made to get a similar bill passed toward the end of the 1957 legislative session but it proved abortive, largely because it was not entirely clear that there could be no interference with basic "Blue" plans.

Another proposed amendment would permit a hospital service corporation to provide home nursing and ambulance service; reduce from 4% to 2% the rate of accumulation of the special contingent surplus fund held by hospital service, medical and dental expense plans; lower the maximum of this fund from 25% of net premiums to a level considered proper by the department but no less than 15%, and raise the amount which the plans may invest in real estate from 5% to 7½% of net premiums.

The Metcalf committee also has slated discussion of the 2% A&S pre-

(CONTINUED ON PAGE 20)



## Tried And True Format Success At Peoria Salescapade

Following the same format that was tried and proved true last year, the second annual Salescapade sponsored by Peoria Life Underwriters Assn. attracted close to 300 agents for a series of morning and afternoon meetings recently at Hotel Pere Marquette, matching its predecessor in enthusiasm and successful accomplishment.

An encouraging foretaste of the interest to be manifested in the later sessions came when the sales confabulation jumped off to a quick start as 90 early-risers fell out for 7:45 reveille to take in the CLU breakfast conducted by Kenneth L. Keil, Penn Mutual, Springfield. The over-the-coffee-table meeting featured Jack C. Keir of American College who spoke on "Education."

The sales congress, having scrapped the old-time formula of speech after speech to experiment in panel discussions conducted simultaneously, rescheduled last year's four forums on new man aids, advanced underwriting, direct mail advertising and A&S and major medical, only with new faces in the lineup and new ideas. Each discussion was given twice, permitted agents to take in the two which they were most interested in.

Roy E. Davis, a top A&S producer



The new home office of State Mutual Life, was opened formally last week with dedication ceremonies. Built in a 30-acre park-like setting in Worcester, Mass., in a neighborhood of parks and homes, it is two miles from downtown.

The facade is of pink and red granite. The building is set back 400 feet from the street.

of Illinois Mutual Casualty at Peoria, was moderator of a panel consisting of Loren P. Kesler, New York Life, Peoria; Gary S. Todd, Prudential, Galva; and H. L. Gustafson, Gustafson agency, Peoria.

Mr. Kesler, a marine light colonel turned agent, said that in selling A&S, it is "important to show the man that he is buying and you are not selling." The selling part should be conducted in such a matter that the prospect is in a positive frame of mind, and if handled that way, the close comes in "a natural sequence of events," he said.

After putting the problem before his prospect, Mr. Kesler said his argument goes this way: "Mr. Prospect, if you say no, you are not saying no to me,

you are saying no to yourself and your family."

Mr. Davis concluded the discussion by stressing the essence of service to the client. "If you haven't got service built-in, you're missing a bet as far as A&S is concerned," he declared.

The notion that all people have to do to be well off is to make money and pyramid it was dispelled by Everell A. Smith, New York Life, Sycamore, who appeared on the advanced underwriting panel. Mr. Smith, whose clientele includes many small business men and farmers, discussed reducing costs, maintaining control of the estate and guaranteeing income for the widow, by changing ownership of policies to lessen estate shrinkage through inheritance taxes. "If you can make the prospect see the problem the problem solves itself," he declared.

The prospect must have three essentials before Mr. Smith would consider him a good prospect for estate planning. He must, (1) be willing to give information about his estate; (2) have a personality which enables the agent to get along with him without constantly being at odds; and (3) he should have the money to buy life insurance.

"There is a gold mine in section 303 of the Internal Revenue Code, so study it," Mr. Smith advised.

The big tax bite was demonstrated by Paul R. Weaver, John Hancock, Monmouth, who distributed mimeographed estimates of federal and Illinois inheritance taxes and work sheets. He worked out hypothetical problems of the husband's estate with the wife surviving and the wife's estate with the husband predeceased, showing what little of the estate is left for distribution and how much can be saved with proper transfer of estate.

Conducting the panel was Robert W. Leu, Massachusetts Mutual, Peoria.

Also drawing a large attendance were two other panels—one on direct mail and advertising which was covered by A. Robert Thomson, Thomson Advertising Inc. of Peoria; Arthur W. Langeloh Jr., State Farm, Glen Ellyn; Andrew W. Varga, Lincoln National, Peoria and Robert Stone, Connecticut Mutual, Abington. Panelists who discussed new man aids were John R. Scott, Connecticut Mutual, Bloomington; Robert D. Beadles, Penn Mutual, Decatur; William E. Bain, Metropolitan Life, Rockford; and Robert K. Lane, Massachusetts Mutual, Bloomington.

A stirring testimony to opportunity offered by America was given by Louis P. Coopmans, Equitable Life of Iowa, Moline, who addressed the luncheon meeting. Mr. Coopmans related how he came to this country from Belgium when he was 16, making the most of every opportunity which presented it-

self and making a few breaks himself. He paid back the money for the trip over, bought into a barber shop and a bakery and finally wound up selling life insurance in 1951, paying for 115 lives in 1956. He challenged agents to do as he had and not be satisfied with less than "beating the devil out of every opportunity."

The reason why people buy life insurance was explained by Lester O. Schriver, managing director of National Assn. of Life Underwriters. The man who buys life insurance is a man who wants to be a leader, one who doesn't want anyone else to get ahead of him, even in the amount of insurance owned, Mr. Schriver said.

Another instinct that makes man insure himself is that of fear. A man can be shocked into realizing that he "doesn't have the moral right to die without being fully protected," he declared.

Presiding over the luncheon meeting was Hugh A. Shaw Jr., Occidental Life of California, president of the Peoria association. William Maibach Jr., Connecticut Mutual, was general chairman of the event.

## Name Area Chairmen For NALU Membership Drive

Albert C. Adams, general agent of John Hancock at Philadelphia and president of National Assn. of Life Underwriters, has appointed regional membership chairmen for the 78,000-member campaign in 1958. Membership is now 73,000.

The regional chairmen are Gordon E. Crosby Jr., New England Life, Seattle; Harry R. Pinney, Bankers Life of Nebraska, Oakland, Cal.; C. P. Atkinson, American General Life, Austin, Tex.; Sam B. Starrett Jr., Guarantee Mutual, Omaha; A. Smith, Equitable of Iowa, Rockford, Ill.; Fisher E. Simmons Jr., Pan-American Life, New Orleans; Ed M. Hicklin, Occidental of North Carolina, Burlington, N. C.; Jack A. Stewart, Phoenix Mutual, Cleveland; Mrs. Laura Benham, Prudential, Niagara Falls, N. Y., and Edward H. Duffy, John Hancock, Quincy, Mass.

William E. North, New York Life, Evanston, Ill., is national membership chairman.

## Great Southern Did Not Oppose Texas Department Proposed Rules

Miss K. K. Mitchell, who was listed among those opposing some or all of the Texas department's 13 proposed rules at a hearing in Austin, was incorrectly identified with Great Southern Life in an account of the hearing in THE NATIONAL UNDERWRITER for Nov. 15. Miss Mitchell is with Great Commonwealth Life. Great Southern, with some exceptions, was favorable to the proposals, its views being presented by J. W. Hahn, its actuary.



### WE'RE MOVING AHEAD ... in these states

PENNSYLVANIA • OHIO • ILLINOIS • INDIANA
MARYLAND • DELAWARE • KENTUCKY
TENNESSEE • ARKANSAS • LOUISIANA
MISSISSIPPI • FLORIDA • MINNESOTA
VIRGINIA • MICHIGAN • SOUTH CAROLINA
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### Special Ground Floor Opportunities Available to GENERAL AGENTS... LIFE • ACCIDENT & SICKNESS HOSPITALIZATION • GROUP

**MORE COMPETITIVE . . .** L.I.C.A. offers a complete portfolio—policies filled with unusual selling features . . . loaded with advantages you can get your teeth into — and really S-E-L-L!

**MORE MERCHANDISING . . .** We offer a hard-hitting, sales producing program, from "mail to sale". Everything furnished to you without charge.

**MORE ADVERTISING . . .** We help you develop sales potential through local advertising, direct mail, quality-lead programs.

**MORE MONEY FOR YOU . . .** This is truly a "ground floor" situation. L.I.C.A.'s vigorous building program spells O-P-P-O-R-T-U-N-I-T-Y for you!

**INVESTIGATE AT ONCE!**  
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Paul Reichart, Vice President in Charge of Sales

## Life Insurance Company of America

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## AT HOME OFFICE DEDICATION

# Make Insurance Careers More Appealing, State Mutual Life's President Urges

(Pictures on Page 19)

WORCESTER—A call for the life insurance industry to strengthen and intensify its appeals to American youth in the face of the competing attractions of scientific careers was sounded by H. Ladd Plumley, president of State Mutual Life, as he dedicated the company's new home office building in the residential area of Worcester.

Mr. Plumley shared the dais with Philip M. Talbott, president of the U. S. Chamber of Commerce, and Gov. Furcolo of Massachusetts. Gov. Furcolo brought a colorful climax to the proceedings when he presented to Mr. Plumley, on behalf of himself and his 47 fellow-governors, the flags of all the 48 states as a symbol both of the "state" in the company's name and of its nationwide operating scope.

"The public has long since ceased to look on the life insurance man as little more than a door-to-door salesman, to be reluctantly tolerated if not deliberately avoided," Mr. Plumley told the dedication audience. "But we still have some distance to go in establishing the life insurance man in the truly professional stature he should enjoy in the light of the essentiality of his counseling services."

"Today, when the technological professions are the most alluring—and the most active in recruiting at the college level—it behooves us to give our profoundest thought to the task of convincing today's forthcoming college graduates that no calling offers higher repute, greater job-satisfaction or greater personal security than the one we are privileged to serve."

What's more, Mr. Plumley added, the compensation is pretty high, too.

Mr. Talbott paid the personnel of the life insurance industry high tribute for their "abiding warmth in dealing with their clients."

"It does not," he said, "begin and end with the sale of the policy. Time and again, I have encountered men who were temporarily in desperate straits through no fault of their own, who found that their insurance companies were the best friends they had."

Reiterating the chamber's traditional opposition to government in business, Mr. Talbott pointed out that "the insurance industry offers the individual a chance to provide for himself in meeting the contingencies of life instead of relying on his government. Every policy is a sturdy symbol of self-reliance. Every man who holds a life insurance policy has a stake in the private enterprise system, however dimly he may realize it."

The new building was characterized by Mr. Plumley as a profession of the company's faith in the American future.

"The men who set the policies of this company believe," he said, "that there is such flexibility and strength in our American system that it will continue to provide opportunities for its citizens for decades to come. We have a staunch conviction of the fundamental place of insurance in an economic scheme where there are incentives for risk-taking and, likewise, incentives for the individual to provide against catastrophic loss over which he has little or no control."

Referring to the building, Mr. Plumley spoke of "functional designs never

before constructed which will aid in giving efficient service to our policyholders" as well as to "the conveniences which are planned to give our home-office staff a congenial place to work."

Said Mr. Plumley:

"We believe it a significant fact that in our business the words 'home office' have had their most common usage. This is not a 'head office' or a 'general office' or a 'principal office' but a 'home office.' Many of the attributes which are associated with the American home will be associated with the activities that take place within this building. We are like a typical American family of today—growing in size—interested in education and training—anxious to have its members be a credit to itself and themselves. This home office is the material evidence of the heritage we have received from our predecessors—it is also the evidence of the determination of the present personnel to fulfill well the purpose for which this institution was chartered in 1844."

"A generation or two ago it was customary to talk about what a man or a family or an institution 'stood for.' Nowadays we speak of 'basic policies' and 'pre-determined patterns.' In some ways the old phrase seems to have more color, more pulse. 'Standing for' something was a picturesque summation of the willingness to defend

(CONTINUED ON PAGE 18)



Sales officials of Franklin Life extended birthday greetings to President Charles E. Becker, with a report on the nationwide sales campaign being held in his honor. The birthday cake presented to Mr. Becker was decorated with an intercontinental ballistics missile, carrying out the theme of the drive, "Shoot The Moon." New paid sales of Franklin during October totaled \$64,418,542, a 32.3% gain over the same month last year. Shown from left to right are: F. J. O'Brien, vice-president and director of sales promotion; Lillian Gilster, assistant director of sales promotion; William Tolleson, director of agency development; George E. Hatmaker, vice-president and secretary; Allen V. Dowling, vice-president and director of agencies; Mr. Becker, J. V. Whaley, senior vice-president; R. A. Frederick, administrative vice-president; F. J. Budinger, regional sales director, Chicago; and Roger C. Biede, sales representative, Elmwood Park, Ill.

## Hit Many Points In Harrison Turn Down

Hard on the heels of the unexpected refusal of the Texas senate to confirm the appointment of William A. Harrison as commissioner of insurance, the board of insurance formally questioned the constitutionality of the action and asked the attorney general for a ruling. The point at issue is whether the legislature has the say over ap-

pointments made by anyone other than the governor.

Some collateral questions also were asked. One dealt with the percentage of votes necessary for confirmation, in view of a report from usually reliable sources that 15 senators voted for Mr. Harrison and 14 were opposed to him—normally a two-thirds majority is required.

Another question related to the cloak of secrecy over votes in executive session, with some political leaders now favoring a rule requiring public announcement of such votes. Still another question involved the right of Mr. Harrison to continue in office until a successor has been named, thereby permitting the department to be in full operation for transacting routine business.

Political observers in Austin generally feel that the rejection of Mr. Harrison was prompted by a combination of factors, including his refusal to "play politics," his part in the probe of the defunct U. S. Trust & Guaranty in which it was disclosed that several senators had received retainer fees from that firm, and his lack of sufficient insurance experience as required by the law.

## R. L. Hughes, Insurance Accountant, Resigns From Alwac Computer Firm

Robert L. Hughes, special insurance representative of the Alwac Computer Corp., has resigned effective Dec. 7. He has not announced his future plans.

From 1948 until early this year Mr. Hughes was with Remington Rand, first in the Minneapolis office as a salesman specializing in insurance accounts and then in the home office insurance department as national representative counseling with local sales personnel on punch-card and Univac procedures for customers.

For three years Mr. Hughes was chief accountant and office manager of Iowa Life and for 15 years was tabulating supervisor and statistician of Guarantee Mutual Life. He served for two terms as president of Insurance Accounting & Statistical Assn.

Guardian Life held a 5-day training conference at the home office for 13 qualifying agents.

# COMMONWEALTH LIFE

## INSURANCE COMPANY

Season's greetings from  
Commonwealth — one of  
the Nation's billion-dollar  
companies.



HOME OFFICE:  
**Commonwealth Building**  
**Louisville**  
The Tallest, Finest Office  
Building in Kentucky

## More Than A Million Family Policies Sold By Year-End, Institute Predicts

The family life insurance policy, combining protection for all members of the family under a single contract, has proved one of the most revolutionary marketing developments in life insurance history. By the year-end, it will have been purchased by well over a million American families, according to Institute of Life Insurance. This will mean many billions of insurance protection thus set up.

With an average family policy of more than \$8,000, covering an average of about four members in each family, this means that millions of individuals are included in these new plans.

According to the institute, the family policy is now being written by more than 60 life companies, including most of the larger companies. More than 100 companies are expected to

be writing it by the end of the year. Currently, many companies are reporting that a high percentage of their ordinary life insurance sold is on the family plan. In some companies nearly half of the new business is on this plan.

"There has never been such a public response to a new form of life insurance as has been experienced in marketing the family policy," says the institute. "The possibility of purchasing under a single contract, a plan whereby every member of the household can be insured, has resulted in record

purchases in a fraction of the time new plans have taken in the past."

Most companies have developed special features in their family plan but the average policy provides a whole life plan on the head of the household with convertible term arranged for the wife and children. The policy is generally available to husbands between the ages of 18 and 50 and the wife must usually be between 12 years younger and seven years older. Children are commonly eligible from the ages of 15 days to 18 years. Most policies cost the same regardless of the number of children in the family and unborn children are included and automatically covered, usually 15 days following birth.

Purchases usually can be made in units of \$5,000, \$7,500, \$10,000, \$12,500, \$15,000 on the life of the father, with insurance on each dependent about one-fifth of the unit bought. The premium is usually based on the age of the breadwinner and the amount purchased.

## Seeks To Void \$250,000 Policy; Claims Deceased Conspired To Mask Suicide

Cancellation of a \$250,000 life policy taken out 19 days before the policyholder's bizarre strangulation death is being sought by Beneficial Standard Life, which alleges the policyholder conspired with another man to make suicide appear as murder in order to avoid the policy's suicide exclusion.

The policyholder, Max Shayne of Los Angeles, died after being strangled in his automobile. Police are holding Earl Matlock, who confessed to the slaying, but who claims he did it accidentally after Shayne used threats to force him to make suicide look like murder. Matlock was quoted as saying Shayne told him he had only six months to live and wanted to die sooner without having his death look like suicide. He said Shayne offered him \$1,000 to help him and when he refused, Shayne threatened to "get" him or his family.

Matlock said he had tried to get out of the parked car and during the struggle, he slipped the back seat strap around Shayne's neck, intending to "just make him unconscious so I could leave. When he went limp, I wiped my fingerprints off the car and left."

In a suit seeking declaratory relief and rescission of life insurance policy fraudulently procured, Beneficial Standard, which covered only \$25,000 of the policy, is contending that Shayne hired and paid Matlock to help him make his suicide look like murder and robbery. At the time of his death, the company asserts, Shayne was out on bail pending appeal of a five-year prison sentence following conviction on five counts of fraud. The company statement claims that Shayne made untrue statements on his application for the \$250,000 policy with the intention "to deceive and induce acceptance of his application." It declares that "by reason of unfavorable experience with him" Mutual Benefit H.A.A. a few months earlier cancelled a policy on him and he had concealed that fact and filed a series of claims with Massachusetts Indemnity and Occidental Life of California, the latter company which only a few months previously had "found it necessary to modify his contract."

Beneficial Standard further contends that Matlock is the only person now alive who knows the exact facts about the death of Shayne and points out that should he be convicted and executed, the plaintiff will lose its only witness to prove its contention that Shayne committed suicide. Date of Matlock's trial is Dec. 17.

Shayne is survived by his widow, a son and a daughter.



**RALPH H. PATTON, C.L.U., ASSISTANT SUPERINTENDENT OF AGENCIES AND DIRECTOR, PENSION TRUSTS** . . . entered life insurance business as Agent for Penn Mutual in 1949. In 1951 became Life Department Manager for Johnson and Higgins in New York. Joined Berkshire Life as Manager of Pension Trusts in 1953. Named Assistant Superintendent of Agencies and Director, Pension Trusts in 1956.

# selling is a wonderful profession!

We know that the man who aspires to the profession of life insurance selling must be willing and able to absorb a wealth of technical knowledge. We know, too, that above all, he must master one special skill. The doctor can prescribe a bitter pill with a reasonable expectancy that the patient will take it whether he likes it or not. The professional life insurance man, on the other hand, must diagnose and prescribe, as well as make his patient like the prescription. If he's successful, he's mastered the art of salesmanship.

Our entire training and field supervision program is designed to build professional life insurance salesmen. From kindergarten to post-graduate levels, from the simple package sale to the more complex Insured Pension installation,

our entire effort builds toward selling, with professional status. This, we believe, is the approach best geared to the man who wants complete satisfaction, prestige and increased income from his work. That's why we believe today Berkshire presents the greatest potential for personal growth in the industry!



**BERKSHIRE**  
LIFE INSURANCE CO.

Life, Accident & Sickness, Pension Plans, Annuities

W. Rankin Furey, C.L.U., President

George D. Covell, C.L.U., Agency Vice President

PITTSFIELD, MASS. • A MUTUAL COMPANY • 1851

## Careful Big Pa

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## Careful Recruiting And Selection Play Big Part In Success Of Hunting Agency

The Hunting agency of New England Life at Philadelphia has risen to the top 30% in the company since it was started from scratch five years ago. Its 16 carefully selected agents average 56 sales a year for a paid volume of \$667,248 and will earn \$9,192 in 1957. David G. Hunting, the general agent, told LIAMA's annual meeting in Chicago how he locates prospective agents, sells them on the agency, trains them before and after they sign contracts and offers them challenges for the future. An abridged version of Mr. Hunting's remarks follows.

By DAVID G. HUNTING

In 1952 a second Philadelphia agency of New England Life was merely a gleam in the eye of our agency vice-president.

In November of 1952 the Philadelphia-Hunting agency consisted of an aching void of 400 square feet of office space and six very empty desks.

In November of 1957 our agency is composed of 16 of the finest young life insurance men in Philadelphia. If you'll allow me to brag a little bit, I'll tell you about these men.

Our average associate is 32 years of age. He is married and has 2.3 children. His average experience is 2 3/4 years. He averages 56 sales per year for a paid volume of \$667,248 of new insurance. His earnings will average \$9,192 in 1957.

We believe that one of the reasons our average production per associate is over \$650,000 is our recruiting and selective procedure. I feel that we look a lot longer and a lot harder for prospective agents than does the average agency. In the past 12 months, we have interviewed and tested 185 prospective agents and have selected only four men out of this group to join our agency. This means we must interview and test 46 men to find the one we want.

New England Life has found that, on the average, one out of 25 men interviewed is put under contract. In five years we have started only 21 men and we have retained 16. In the past 12 months we have not lost one man. I'd rather look harder and longer at a man before he joins us than have to suffer the loss of morale and money in losing him in six months.

At this point, I would like to pay tribute to LIAMA's school in agency management and to our agency de-

partment, both of whom hammered at me to develop a plan and then to work the plan. We're always recruiting according to a prearranged schedule whether we are looking for a man now or not.

You may think that prospecting for recruits in a strange city is a difficult job, but you would be amazed at the things you will do in a strange community that you wouldn't do in your own home town. Our first prospective agent five years ago was the milkman who sold my wonderful wife everything a dairy could produce. As it turned out, he wasn't suited for our business, but he did become our agency's first policyholder.

Here is where we found that 185 prospective agents with whom we talked in the past 12 months:

- 52 came from newspaper advertising. The advertising bill for these 52 men was \$295 and despite the fact that

none were started from this medium, we feel that advertising does create activity and that some day we will find a good man.

- 32 men were recommended by our own associates. We are convinced that this is where the cream of the crop lies, and if our associates are convinced that this is a good business, they will sell the career to others. But unless they are sold on the business and this agency, they won't bring in prospective agents no matter what we do. We started two men in the past 12 months who were recommended by our own associates.

- 61 men came from the personnel department screeners of large noninsurance companies in the Philadelphia area who recommended men they interviewed but whom they couldn't place in their companies. One new associate came from this group.

- 40 men were referred to us by prospective agents whom we rejected. This has turned out to be a real gold mine for us, but until recently we were too stupid to pick up the nuggets that were ours for the taking. By the time we have interviewed, tested and in-

vestigated a prospective agent and found him not suited for our business, we know enough about him to know in what sort of a position he would fit. Through our contacts with our personnel department screeners and other industries, we try to help this man find a position somewhere else. This rejected prospective agent, on the other hand, knows by this time pretty much the kind of man we are looking for. In return for our help in placing him elsewhere, we expect the rejected prospective agent to refer us to someone he knows whom he thinks would be qualified for our business. We've only been doing this for six months and, besides interviewing 40 men from this source, we have taken one man. The personnel men of other companies are grateful because every once in a while we stumble on a man who can fill a position they have open.

Once we've found a man who successfully passes our preliminary tests and interviews, we really go to work. He is interviewed by me, my supervisor and at least three of our associates, not including an interview with

(CONTINUED ON PAGE 10)

"Nothing Succeeds Like Success"

## "Read the Sales Success Story of Peoples Life Insurance Co."



in the words of Mr. S. W. Hauser, President Peoples Life Insurance Company, Washington, D. C.

Mr. Hauser states "The sales results from our Bermuda Cruise Agency Leaders Convention were slightly more than overwhelming. So many of our men qualified that we had to operate two cruises to Bermuda instead of the one originally planned. The best previous year our Company had over 500 top producers and wives to qualify, but the lure and glamour of a convention cruise to Bermuda produced 1134 qualifiers and wives for the all expense trip".

Let us place a trans-Atlantic luxury liner at your disposal at the port nearest your sales problem!

## UNITED STATES TRAVEL AGENCY, INC.

(not a government agency)

Largest charterers of cruise ships in America.

Main Office:

807 15th Street, N. W., Washington 5, D. C.

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John E. Smith, Jr., President

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AND ASSOCIATES  
INSURANCE ANALYSTS

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and/or Merger of Life, Fire and  
Casualty Insurance Company's  
negotiated in confidence through  
the facilities of this 30 year  
old organization.

1927-1957

PAUL TEMPLE AND ASSOCIATES  
6355 NORTH CLARK STREET  
CHICAGO 26, ILL.

## IF HENDERSHOT'S READERS ASK:

**Here's How Chicago GA Answers Client's Query On 'Paying Interest On Your Own Money'**

Another letter in response to Ralph Hendershot's book, "The Grim Truth About Life Insurance," comes from Roy W. Janson, general agent at Chicago for Guardian Life. Mr. Janson writes:

In most instances the only way you can make a loan is to pledge as collateral some asset of value that you own all or part of.

Any asset you own is "your money." If you have been paying on a house for a number of years and decide to execute a 2nd mortgage you are in a sense borrowing "your own money."

If you have government bonds that you do not want to sell you can borrow against them and you are in a

sense borrowing "your own money."

It just happens that life insurance is one of the finest types of collateral for loaning purposes. Be glad you own permanent life insurance which is so widely acceptable for collateral purposes.

Praise life insurance, don't pick on it.

My people quickly see the point.

All American L.A.C. has been licensed for A&S and life in Wyoming. The company is now licensed in 23 states.

**Thinking about protection?**

SEE YOUR  
**GREAT-WEST LIFE**  
REPRESENTATIVE

This powerful — thought provoking message on outdoor posters will appear in over 100 cities and towns throughout the United States and Canada in 1957.

Outdoor advertising is an effective partner of the Great-West Life representative in his sales and service activities.

**THE GREAT-WEST LIFE**  
ASSURANCE COMPANY  
HEAD OFFICE - WINNIPEG, CANADA

**Guardian '58 Dividends To Total \$7,350,000**

Guardian Life's 1958 dividend distribution will total \$7,350,000, up \$500,000.

The 1958 dividends for policies issued prior to January, 1957, on the CSO basis will be based on a new scale providing increases on the plan and ages where premium rates for new issues were reduced substantially. This adjustment will produce on the older CSO issues net costs consistent with policies now being issued.

Provision is again made for the payment of settlement dividends when premium payments terminate at death, maturity, surrender or any other reason after premiums have been paid for a certain number of years ranging from 15 years at issue ages under 39 to 10 years at issue ages 39 and over.

Interest on proceeds left under optional settlement will be paid or credited at the rate of 3.1%, whether or not proceeds are subject to withdrawal, and the rate applicable to dividends left at interest will also be 3.1%. On pension trust auxiliary funds, excess interest at the rate of 1.1% will be credited for the calendar year 1958.

A first year dividend of 10% will again be payable on many A&S policies, with dividends ranging to as high as 25% on some policies in the fifth and later policy years.

**Bosworth Sells Denver General Agency**

Charles Bosworth Jr., head of the Bosworth general agency of Denver, which does an annual business of \$1 million in fire and casualty premiums, has sold the business to Allen J. Leffert, president of Colorado Credit Life. Mr. Bosworth is vice-president of Colorado Credit Life, having been with the company since it was organized. The main office of the general agency is being moved to the Colorado Credit Life building in Boulder, and Mr. Bosworth will continue as president but will devote more time to the life company.

A service office of the general agency will be maintained in Denver in the new A.C.E. building, completed this month.

**Ditman To Address LOMA Grads Dec. 4**

J. Howard Ditman, vice-president and comptroller of New York Life, will address Society of LOMA Graduates on Dec. 4, following a buffet supper at 6 p.m. at the New York Life home office. His topic will be "Prepared to Grow."

**Celebrate Company's First Billion**

John V. and Thomas W. Earls, general agents for Manhattan Life at Cincinnati, held a cocktail party for local insurance men at Cincinnati Country Club recently in celebration of Manhattan Life's first billion of insurance in force. Company officials attending the affair included Thomas Lovejoy, president; Gordon LaPointe, medical director; and Harry Nelson, midwestern supervisor, Chicago.

November 23, 1957

**Indian Hold E**

**Licens**

An old state was recent two the Indian ers in I Hammond, sociation's is area o into a de consider a ing legisla mental-ad life licen

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## Indiana Life Agents Hold Busy Mid-Year, License Law Eyed

An old bone of contention in the state was thrown on the floor of the recent two-day mid-year meeting of the Indiana Assn. of Life Underwriters in Indianapolis. John Eggert, Hammond, vice-president of the association's zone I, reported agitation in this area over part-timers, developing into a demand that the association consider again the question of back-legislation calling for a departmental-administered examination for a life license.

In debate on the issue, association officers pointed out to proponents that the organization has long refused to take a stand for examination legislation because all segments of the business in the state are not agreed in their view on the matter.

"It has long been an unwritten rule of this association that we will not back legislation affecting the business unless all segments of it are in agreement," Leon Lawhead, general agent National of Vermont, Indianapolis, state president reported.

In the past, agents' groups, such as the Indiana Leaders club, a strong advocate of the examination system, have tended to line up for the examination system while general agents and company groups have generally opposed it. Opposition to the system has been particularly strong among combination managers in the state. In 1950, after the Indianapolis General Agents & Managers Assn. had voted support for an examination law, combination managers in the city warned that if the state association went before the legislature in behalf of such a law, they would appear separately against it. The managers' group then reversed its approval. At that time, the Leaders' club, which had been spearheading the movement for the law, threatened to lobby for it alone if the state association would not. The threat was never carried out.

Objection of the combination managers at the time was that because of the necessity of putting a new man to work on the debit at once, they could not wait until he had had an opportunity to take the next examination offered. Managers in general complained that the proponents of the law had in mind an examination that only a man with five years of experience could pass.

Speaking in favor the state's present qualification system, R. W. Osler, Indianapolis, insisted it requires a more thorough training than a "politically feasible" departmental examination could require. "In view of our very strict qualification law provisions, a change to an examination system would be a definite down-grading of the training requirements for a license," he charged.

Continuing adamant in their demands that the matter at least be put to an association vote, proponents finally won the promise that it will be placed on the annual meeting program.

Mr. Lawhead reported that the majority feeling in all association zones he has visited is that the state should not organize the Heart Fund drive this year. For the past two years, it has supplied the state chairman and worked out organizational details for

the drive, also supplying many of the solicitors.

Varied reasons for the feeling the state should not undertake the drive in 1958 were cited by locals, Mr. Lawhead said. Most often heard were the three complaints: Conflict with United Fund, which the Heart Foundation has refused to join; fear that the association will become "tagged" as an "arm" of one, single charitable operation; resentment over the fact that while agents are taking time away from their work to solicit funds for a physician-sponsored organization, physicians are competing with them by "pushing" the Blue plans through promotional literature in their waiting rooms and even personal recommendations of the Blue insurers to patients.

Mr. Lawhead reported that from a "deluge" when he took office, complaints about the family policy have dwindled to a "dribble."

The Calumet association reported that complaints in its area are still running "higher than they ought to," but the consensus was that the problem has been reduced in the state to

## Republic National Life Tops \$1½ Billion Mark

Republic National Life passed the \$1,500,000,000 mark in life insurance in force at the end of October.

New life insurance issued during the first 10 months of 1957 amounted to \$549 million, and the increase in life in force was \$332 million. This goal was achieved just 16 months after the company had reached a billion of life insurance in force in less than 28 years.

The company has a goal of life in force by the end of 1959.

residual proportions. Mr. Lawhead was praised from the floor of the meeting for his forthright handling of the complaints at the time he took office, and for the judicious manner in which he attacked the problem. He, in turn, gave credit to the willingness of companies whose agents were involved in complaints to take action to eliminate the trouble.

One northern local reported that it had worked out a plan with the city's

## OK Unity Mutual Merger With United Of Chicago

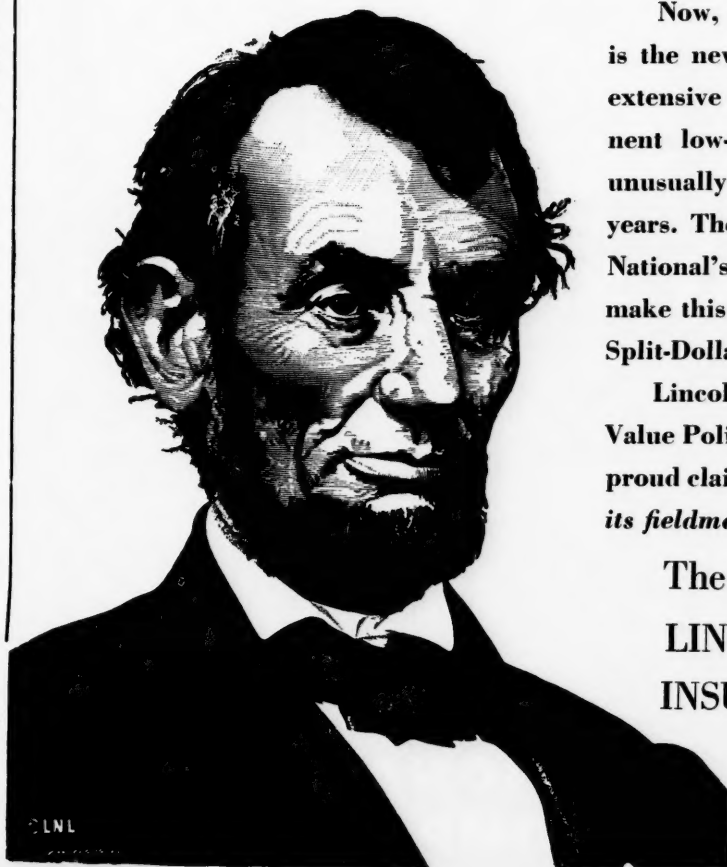
The merger of Unity Mutual L.&A. of Los Angeles with United of Chicago has been approved by the Illinois and California departments. United, which gained controlling interest in the Los Angeles company in 1952, will be the surviving company.

Unity Mutual has an annual income in excess of \$3 million, life insurance in-force of \$85 million and assets of over \$13 million. The merger increases United's assets to \$85 million.

mayor under which it was proposed that all agents wishing to should submit bids on a municipal A&S group case. An association committee would then recommend to the mayor the bid to accept, and the "winning" agent would assign his first-year commission on the case to the association. Representatives of the local reported the plan had been cleared with Commissioner Palmer but that the local

(CONTINUED ON PAGE 20)

# Now --- LNL's New PREFERRED-VALUE POLICY



Now, the Preferred-Value Policy is the newest plan in the LNL man's extensive sales kit. It provides permanent low-cost protection along with unusually high cash values in the early years. The cost advantage of Lincoln National's 4-Dimensional premiums make this policy doubly attractive for Split-Dollar sales.

Lincoln National's new Preferred-Value Policy is another reason for our proud claim that *LNL is geared to help its fieldmen.*

The  
LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

Fort Wayne 1, Indiana  
Its Name Indicates Its Character

## N. Y. Life To Pay \$106 Million In Dividends In 1958

New York Life policyholders will receive in 1958 record high total dividends of approximately \$106 million, up 5.7%. Of the total amount, \$102½ million is for 1958 dividends to individual life insurance and annuity policyholders.

The company also authorized the

payment in 1958 only of special extra dividends on certain policies containing waiver of premium and double indemnity benefits. This payment in 1958 is expected to amount to about \$7 million. The program is to facilitate the adoption of an annual dividend basis with respect to such benefits in 1959.

The company in 1958 will credit interest at 3.15% or at the guaranteed rate if higher, under supplementary contracts and dividends left on deposit. The rate of 3% has been al-

lowed in recent years, except where the guaranteed rate is higher.

## Hinze To Head Chicago Insurance Accountants

Herbert W. Hinze, Hartford Fire, has been elected chairman of the greater Chicago chapter of Insurance Accounting & Statistical Assn. at the fall meeting. Other new officers are: Harry J. Clark, United of Chicago, vice-chairman; Robert O'Brien, Federal Life, treasurer; and Spencer Floyd, Country Mutual, secretary.

## Leon L. Tracy Goes To Bankers L. & C. As Vice-President



Leon L. Tracy

Leon L. Tracy has been elected vice-president in charge of agencies of Bankers Life & Casualty and its affiliated companies, effective Dec. 1. He has been since 1955 director of A&S sales in the ordinary agencies department of Prudential. He joined Prudential in 1951 as senior training consultant in charge of developing the initial A&S training and sales programs, becoming manager of A&S sales in the ordinary agencies department in 1953 and assistant director in 1954.

As director, Mr. Tracy has had supervision of the A&S program, the employee security program (10 to 24 lives), the small group program (25 to 100 lives), the salary allotment program, the mortgage loan insurance program and the development of new products in all areas.

Before joining Prudential, Mr. Tracy was with Aetna Life at the home office and at Springfield, Mass., and was general agent of Loyal Protective Life at Boston.

## Minn. Commissioner Has Dispute With Tax People

Commissioner Sheehan of Minnesota is protesting in U. S. tax court the action of the Internal Revenue Service in disallowing certain expense deductions he made in his income tax returns. Mr. Sheehan has told the court he was "very often required to entertain commissioners from other states at his own expense," and that the IRS "erroneously disallowed a deduction of \$879.15 representing entertainment expenses and also disallowed a deduction of \$691.93 representing automobile expenses. The IRS commissioner contends that entertainment by state employees is against public policy. The commissioner also contends that automobile expenses which are not reimbursed by the state are not allowable deductions."

Mr. Sheehan argued that "exchange of views and policies are beneficial to all citizens and residents of the state of Minnesota and such expenses should be allowed a deduction." He also said the use of his personal car was beneficial to the state. IRS is contending that Mr. Sheehan improperly deducted \$1,571.08 as expense items in 1954, and owes an additional \$482 in taxes.

## Couple Collects At 96

There have been a number of instances where a policyholder outlived the expectancy of an ordinary life contract, age 96. Now there is at least one case where a man and his wife have "beat the statisticians." Mr. and Mrs. C. A. Skinner of Brookings, S. D., recently performed the combined feat. Both had matured policies with Degrees of Honor and Mr. Skinner had another with Ancient Order of United Workmen.

## Rogan Of Wis. To Speak Dec. 5 To American Pension Conference

Commissioner Rogan of Wisconsin will address a dinner meeting of American Pension Conference Dec. 5 at New York City. His topic will be the proposed regulations and administration of the new Wisconsin disclosure law affecting pension plans.

## OUR HOUSE..

TOP COMMISSIONS	VESTED RENEWALS	LIFETIME RENEWALS	SPECIAL CONSIDERATION TO SUB-STANDARD	GUARANTEED ISSUE
ALL MODERN FORMS ACCIDENT & HEALTH	COMPLETE GROUP COVERAGE	CREDIT LIFE	PENSION TRUST	FRANCHISE

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for a big opportunity as a*

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AN UNUSUAL BRANCH OFFICE  
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**REPUBLIC NATIONAL LIFE  
INSURANCE COMPANY**

DALLAS, TEXAS





## Goes & C. dent

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Dec. 5 nference Wisconsin meeting of nce Dec. 5 will be the administra- disclosure

## Will Of Guardian Life To Head Home Office Life Underwriters

Charles A. Will, Guardian Life, has been elected president of Institute of Home Office Underwriters at the annual convention at Edgewater Beach hotel in Chicago. He succeeds John Duston, Equitable Life of Iowa.

Also elected were: Ira A. Dryden Jr., Amicable Life, executive vice-president; I. M. Spear, State Farm Life, vice-president and editor; John D. Rockefeller, Pacific Mutual Life, secretary-treasurer.

Named to the executive committee were: Mr. Duston; C. Edwin Carlson, Continental Assurance; E. Boyd Coarsey, Gulf Life; Clyde R. deHaas, Equitable Life; Robert M. Kidd, Ohio National Life; W. Ronald Marshall, Paul Revere Life; Harold A. Munson, Guarantee Mutual Life; and Frank T. Somers, Minnesota Mutual Life.

## Discusses Apathy Of People With Wills To Put Estate In Trust

The great apathy of people to the advantages of safeguarding their estates in trust was discussed by Victor Cullen, vice-president of the trust department of Chicago Title & Trust Co., at the annual meeting of Chicago Life Agency Supervisors Club. Election of officers and directors also took place, with Alfred P. Lasker of Prudential becoming president, succeeding Rex John of Connecticut General Life.

Mr. Cullen revealed that 60% of the people who die in Cook county do so without leaving wills, and out of the 40% who do leave wills, 70% do not name trustees. Attributing this to misinformation, ignorance or neglect, he listed four reasons why people shy away from leaving money in trust. People claim they (1) do not have enough of an estate; (2) their estate is too complicated; (3) they cannot afford it; and (4) some people are trying to cover up the amount of their estate.

Comparing the healthy increase in life insurance sold with the static amount of this going into life trust, Mr. Cullen said a ceiling seems to have been reached, and estate planners, apparently, cannot do any better in convincing people to create trusts.

Other officers elected at the meet-

## Marlboro Ad Writer Says Insurance Needs New 'Brand Image'

Don Tennant, who writes the Marlboro cigaret TV commercials for the Leo Burnett advertising agency of Chicago, has written the following letter to The National Underwriter:

This is a purely personal response to your editorial comment on Marlboro cigaret advertising in the Nov. 15 issue of THE NATIONAL UNDERWRITER.

As the man who writes the Marlboro television commercials, I applaud your analysis, especially the part about creating a new brand image. I must also admit that I winced over the part that our "pitch may be a little too crude". It may be "crude", but it has also become one of the most imitated campaigns in advertising history, both in print and television. Also one of the most effective.

But your point about translating the Marlboro appeal into life insurance selling ("Make them admire the man who buys life insurance") is well-taken. Insurance people do have a job of creating a new brand image for their "product."

Some individuals are doing this, of course—and I'm fortunate to have such a man serving me. I have come to be a firm believer in and purchaser of life insurance, and I attribute this mostly to the fact that I latched on to a terrific CLU to handle my program—Mr. Charles J. Malin of Home Life, to be specific. In his case, I admire the man who sells life insurance.

But to your point, I also admire men who buy life insurance, for they're men who "look ahead" in the most important way, and refuse to bury their heads in the sand.

It's a great feeling to know you're

ing were A. Jerry Kirchberg Jr., Continental Assurance, vice-president; Eugene O'Reilly, John Hancock, secretary; and Marvin Weil, Mutual Life of New York, treasurer. New directors are: L. B. Carpenter, New York Life; James Beaumont, Provident L&A.; James Morrow, Connecticut Mutual; and Joseph Moody, John Hancock.

doing everything you can for your family; when you do, you find you're doing a whale of a lot for yourself!

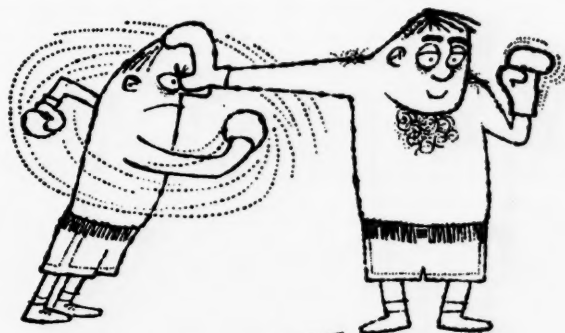
In the process of building up an estate, you find you're also building up things like pride, self-esteem, security, and a generally optimistic outlook on life.

In my case, I find that I have also built up a real friendship with my agent that transcends our business relationship. To anyone who understands the real idea behind life insurance,

the image of an insurance man being next thing to an undertaker is a lot of baloney.

Only by having a sound life insurance program can a man start getting a lot out of life. This is the concept my CLU sold me. And once I saw it, the actual buying of life insurance came into proper perspective.

All this may not be news to you—but to one who isn't in your business, such a concept can come as quite a revelation.



## AS COMPETITIVE AS THEY COME!

When it comes to competition, a Union Mutual Preferred Risk just can't be touched. It combines low premiums with low net cost to make one of the best buys on the market today. (See illustration below). The minimum policy is \$10,000 and all of U. M.'s PLUS VALUE Settlement Options are available including Life Income (10 yr. Cert.) male 65 which pays \$6.30 per mo. per M of proceeds.

## TOSS YOUR CONTENDER INTO THE RING... And Compare!

**\$10,000 — Age 35 — Ann. Premium \$239.30  
1st Year Dividend — \$22.20**

	10 Years	20 Years
Premiums	\$2,393.00	\$4,786.00
Dividends*	397.80	1,217.10
Net Payments	1,995.20	3,568.90
Average Payments	199.52	178.45
Cash Value	1,750.00	3,630.00
Net Cost	245.20	+ 61.10
Average Cost	24.52	+ 3.06

\*1957 Scale — not accumulated. While not guaranteed U. M. has paid dividends every year since 1850.

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**UNION MUTUAL** LIFE INSURANCE COMPANY OF PORTLAND, MAINE  
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Nation-Wide Financial Service for Life Insurance Representatives

**Loans** are available for you on your renewal commissions—for additional working capital, for business expansion, for personal use. Prompt, efficient, confidential service, from the outstanding organization specializing in direct loans to life insurance underwriters.

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Life Underwriters Service Corp.  
Security Bldg., Denver 2, Colo.

I am interested in your service. Please send further information, at no obligation to me.

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# The NATIONAL UNDERWRITER



The National  
Weekly Newspaper of  
Life Insurance

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Telephone Parkway 1-2140.

## SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel.  
Murray 8-1634, Fred Baker, Southeastern  
Manager.

BOSTON 10, MASS.—80 Federal St., Rm.  
325, Tel. Liberty 2-9229, Roy H. Lang, New  
England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd.,  
Tel. Wabash 2-2704. O. E. Schwartz and  
A. J. Wheeler, Chicago Managers. R. J.  
Wiegand and William D. O'Connell, Resi-  
dent Managers.

CINCINNATI 2, OHIO—420 E. Fourth  
St., Tel. Parkway 1-2140. Chas. P. Woods,  
Sales Director; George C. Roeding, Associ-  
ate Manager; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insur-  
ance Bldg., Tel. Riverside 7-1127, Alfred E.  
Cedis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth  
Bldg., Tel. Amherst 4-3725, Fred L. White,  
Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Ex-  
change Bldg., Tel. Atlantic 2-5966, D. J.  
Stevens, Resident Manager.

DETROIT 24, MICH.—613 Lafayette Bldg.,  
Tel. Woodward 5-2305, William J. Gessing,  
Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—3534 N. Rural St.,  
Tel. CLifford 3-2276, William J. Gessing,  
Manager for Indiana and Michigan.

LOS ANGELES 66, CAL.—11326 Kingsland  
St., Tel. Texas 0-8159, E. C. Faris, Associate  
Pacific Coast Manager.

MINNEAPOLIS 2, MINN.—1038 Northwest-  
ern Bank Bldg., Tel. Federal 2-5417, Howard  
J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John Street,  
Room 1401, Tel. BEekman 3-3958, J. T. Curtin  
and Clarence W. Hammel, New York Man-  
agers.

NEWARK 2, N. J.—10 Commerce Ct., Tel.  
Market 3-7019, John F. McCormick, Resi-  
dent Manager.

PHILADELPHIA 9, PA.—123 S. Broad St.,  
Room 1027, Tel. Pennypacker 5-3706, Robert  
I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel.  
Chestnut 1-1634, Geo. E. Wohlgenuth, Resi-  
dent Manager.

SAN FRANCISCO 4, CAL.—582 Market  
St., Tel. EXbrook 2-3054, Richard G. Ham-  
ilton, Pacific Coast Manager.

## CHANGE OF ADDRESS

Be certain to enclose mailing label with  
new address. Allow four weeks for comple-  
tion of the change. Send to subscription of-  
fice, 420 E. Fourth St., Cincinnati 2, Ohio.

## EDITORIAL COMMENT

### How Kaleidoscopic Will Things Get?

"Kaleidoscopic," which is an in-  
creasingly popular word for the pres-  
ent situation in the life insurance  
business, is derived in part from a  
word meaning "beautiful," but the  
way it is usually employed would  
never lead anyone to suspect such a  
derivation. As used, "kaleidoscopic" is  
the adjectival form of the expression  
"rat-race."

There is much concern about what  
is going on in the business—about  
trends considered "unsound" by their  
opponents and "progressive" or "real-  
istic" by their proponents. If none of  
your oxen is being gored it is easy to  
sit back and say, "T'was ever thus."  
The life insurance business has always  
been pretty aggressive about trying  
out new methods, new policies, new  
variants of old systems.

But what if your company is being  
pinched by this infinite variety of  
competition? Should you follow suit  
and go in for practices you are con-  
vinced are unsound? A tough question,  
because you doubtless consider it's  
also unsound to lose business that your  
agents will place elsewhere—and may-  
be transfer their primary allegiance  
as well.

Part of the problem, of course, is  
that a development that one company  
considers unsound may turn out to be  
a progressive move that will show up  
as such in years to come—to the em-  
barrassment of those who damned it  
as a gimmick. There were policies  
created in the boom of the 1920s that  
some considered to be catch-penny  
creations. Some faded out but some  
others became so widely accepted  
that nobody thinks of them as ever  
having been questioned. The family  
income policy and the various "modi-  
fied" policies, for example, are an  
accepted and respected part of the  
sales portfolio today.

Then there are developments that  
were perfectly sound in themselves  
but were abused because of competi-  
tive pressure. Disability income riders,  
which later became a source of tremen-  
dous losses to many companies, were  
underwritten far too liberally. Lax  
underwriting of life policies in the  
late 1920s caused some uncomfort-  
able tightening in the 1930s.

The point about all these abuses is  
that nobody was blind to them. But  
many companies felt they had to go  
along because of field pressure or be-  
cause of not wanting to see them-  
selves outdistanced by a competitor.  
Likely as not, no company thought of  
itself as leading the parade of exces-  
ses. It just felt it was doing what it  
had to do to keep up with the competi-  
tion and was worried that maybe it  
wasn't doing even that. It felt it had  
to do that or lose agents, business, and  
face.

A basic tenet of the free enterprise  
system is that competition develops  
the best products, and even though the  
competitors have to strain and sweat,  
the public gets the benefit of the im-

proved products and the wide spread  
of sales efforts. In a business like  
life insurance, as in many others,  
there have to be laws and regulations  
to make sure that jerry-building and  
deceptive sales practices are not per-  
mitted to victimize the public. Some-  
times these legal restrictions seem to  
be more for the profit of the seller  
than for the protection of the public  
but there can be no question about  
the need for statutory safeguards for  
many types of products, including, of  
course, life insurance.

Are there "evils" in the present  
fast-changing life insurance picture  
that call for legislative remedies? Leg-  
islation has been demanded, for exam-  
ple, to keep group per-life limits down  
to some agreed maximum. Such limits  
are in force in many states but not in  
several of the most important ones.  
The difficulty seems to be to prove  
that although group insurance is a  
good thing, there can be "too much  
of a good thing."

The effort to get a curb on group  
life indicates the path that would have  
to be followed with other controver-  
sial practices. Agreements among  
companies to do certain things or re-  
frain from doing them would, unless  
backed by state law, run the risk of  
entanglement with the anti-trust laws.  
You might wish certain companies  
would stop what they are doing that  
ruins your market and lures your  
agents away but unless what they are  
doing is so palpably against the pub-  
lic's interest you'll have a rough time  
getting either legislation or voluntary  
action.

If legislative restraints are really  
indicated, they should be sought  
promptly and aggressively. If not,  
there is usually reason to hope that if  
a competitor's course is really unsound  
he will find it out and stop following  
it. The company that wants to follow  
sound principles may have an unpleas-  
ant time for a while, but if the princi-  
ple of free competition has any  
validity, the sound practices will  
eventually drive out the unsound.

This, of course, doesn't mean that  
any company or group should relax  
its efforts to convert those whom they  
believe to be doing what is unsound.  
Rather it means that if there are ex-  
cesses these excesses, like the pendu-  
lum that swings too far in one direc-  
tion, build up forces that tend to slow  
down and reverse the course. So per-  
haps the proponents of the "sound"  
have more cause than they have real-  
ized, for taking heart in what may  
appear to be an unequal struggle.—  
R.B.M.

## PERSONALS

Harold A. Loewenheim, manager of  
Home Life at New York, was honored  
at a luncheon held by the life insurance

division of New York federation of  
Jewish philanthropies. Benjamin D.  
Salinger, general agent of Mutual  
Benefit Life at New York, presented a  
plaque to Mr. Loewenheim for his  
philanthropic work. J. Robert Lauer,  
manager of Continental American Life,  
was chairman of the luncheon and is  
directing the annual fund drive.

Director Joseph S. Gerber of Illi-  
nois lectured senior members of three  
insurance classes at Bradley Universi-  
ty of Peoria this week on "Regulation  
of Insurance Companies."

Carroll M. Shanks, president of Pru-  
dential, has received a reserve award  
pennant from the Department of De-  
fense for the company's outstanding  
cooperation with the armed forces re-  
serve program. Prudential was com-  
mended for personnel policies which  
encouraged participation by employees  
in reserve activities.

Albert H. Curtis II, director of train-  
ing of New England Life, has been  
elected vice-president and chairman of  
the executive committee of New Eng-  
land Baptist hospital in Boston.

O. Kelley Anderson, president of  
New England Life, has been elected a  
director of United Fruit Co. in Boston.

Lloyd W. Klingman, completing 20  
years as Dallas agency manager for  
Equitable Society and 30 years with  
the company, was honored with a din-  
ner party. On from the home office  
was Melville P. Dickens, senior vice-  
president in charge of public relations.  
D. D. Edmunds, 2nd vice-president in  
charge of the south central division,  
was also on hand, as well as a host of  
friends and agents of Mr. Klingman.

Harold Brogan, division manager  
Ohio National Life and long-time sec-  
retary of Michigan Assn. of Life Un-  
derwriters, was honored recently at a  
testimonial luncheon marking his re-  
irement from the association sec-  
retaryship after 14 years of service. The  
event brought together 11 of the 14  
living past presidents of the state as-  
sociation, all of whom spoke briefly in  
praise of Mr. Brogan's service. They  
acclaimed him as having earned the  
title of "Mr. Michigan Life Insurance."  
He was presented with a desk set and  
with a bound volume of testimonial  
letters from the past presidents.

Oscar E. Aleshire, former president  
of Modern Woodmen, was presented  
a check representing the maturity value  
of his ordinary life policy with Fi-  
delity Life Assn. of Fulton (Ill.). Mr.  
Aleshire, who observed his 96th birth-  
day this month, was president of Mod-  
ern Woodmen from 1938 to 1944. Fi-  
delity—founded as a fraternal in 1896  
by Dr. George W. Clendenen, who  
served for a time as medical director  
of Modern Woodmen—became a legal  
reserve company in 1953. Modern  
Woodmen has continued its growth as  
a fraternal society. Mr. Aleshire's son,  
Donald W., is a member of Parker,  
Aleshire Co. agency in Chicago.

## DEATHS

FRANCIS W. BOYDEN, 90, father of  
Willard N. Boyden, vice-president Con-  
tinental Assurance and Continental  
Casualty, died at his home in Evanston,  
Ill. He had been with Marshall Field  
& Co. and the Field Estate for 40  
years.

MYRON H. O. WILLIAMS, 81, re-  
tired general agent for Northwestern

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Mutual Life, died in Seattle hospital. He had been in failing health for several years. He was general manager for western Washington 17 years before his retirement in 1944. He was with Northwestern Mutual for more than 50 years.

## List Ways To Improve College Attitudes Toward Life Insurance

Suggestions to improve attitudes on the college campus toward life insurance, particularly the sales career, were advanced at a panel on "Where We Stand on the Campus" at LIAMA's annual meeting in Chicago.

Moderator was Clarence B. Metzger, vice-president of Equitable Society. He is a former chairman of the relations with universities committee, which sponsored the panel. Speakers were Frank S. Endicott, placement director of Northwestern university; Hampton H. Irwin, insurance professor at Wayne university, and Owen J. Quigley, dean of the college of commerce at DePaul university.

Mr. Endicott made these recommendations to the life insurance business for improving student attitudes toward sales careers:

- Probe more deeply into the reasons why life insurance is not highly regarded among many college men. If it is true that many students have false ideas about the field, learn what they are and discover their sources.

- Present a full, factual account of the situation in which the new college graduate will find himself as a life insurance salesman. This should include earnings records for the first five years.

- Find some way to make nationwide recruiting a function of each home office. Use trained recruiters who are willing to make a career of hiring college graduates.

- Be sure the starting incomes are competitive with other businesses. There is a general impression among college students that insurance companies are on the low side. If this is untrue, the facts need to be given wide publicity.

The suggestion that the life insurance business consider the possibility of conducting seminars for college teachers of life insurance was advanced by Mr. Irwin. Life insurance in colleges is often taught as part of a general insurance course.

"If we are to get the extensive exposure to life insurance we desire, we must have teachers who are primarily interested in or at least capable of turning in a good job of straight life insurance teaching," Mr. Irwin said.

Life insurance leaders have long wondered how to develop more adequate exposure of life insurance to undergraduates. The most serious barrier to this effort is the ever-mounting number of required courses in other business fields. For example, the required curriculum in accounting tends to be so intensive that it allows only for the barest minimum of courses not directly geared to accounting."

He emphasized that he was speaking of the situation at the undergraduate level, and while lip service is being given to general business training in schools of business, it is sometimes honored more in the breach than in the observance.

Dean Quigley said the cause of education is advanced in the degree in which a gift is unrestricted. Because

needs vary from one institution to another, the unrestricted gift is the most useful gift, he said in discussing corporate gifts.

Endowing a chair in a given field will tend to perpetuate the offering of courses in that field. However, certain cautions are necessary. For example, it would be foolish to endow a \$12,000 chair in an institution with top teaching salaries in the \$9,000 bracket. As preferable, he suggested provision of the \$12,000 income with the requirement that the endowed chair will carry a salary comparable to the top salaries in associate areas.

The dean placed responsibility for changing student attitudes toward life insurance and life insurance selling squarely on the industry itself. Acknowledging the school's duty to inform students about business opportunities and to increase their awareness of current conditions, he stressed the directing of students into particular lines of endeavor as not a proper function of a school of business administration.

Noting that the subject of insurance arises quite naturally in courses such as investments, accounting, business law, finance and social security, Mr. Quigley cautioned the life insurance business against attempting to increase what might be called the insurance portion of any such courses.

## RECORDS

**OCCIDENTAL LIFE OF CALIFORNIA** ordinary sales in October were the highest in the company's history, totaling \$88,679,133. During the month they exceeded the previous high set in March of this year by more than \$1 million.

**UNITED FIDELITY LIFE** wrote more business for October than for any month in its history. Production for the first 10 months exceeded the entire year of 1956 by 62.7%. New business in October was 155.1% more than October of 1956. Assets have increased to more than \$38 million.

**BANKERS LIFE OF NEBRASKA** raised its 1957 increase of ordinary life to more than 47% above the corresponding period in 1956. The company has had 10 straight all-time record months, with October ordinary over 44% above issued and paid sales for October, 1956. Issued and paid A&S shows a 21% 1957 increase over the same period in 1956.

**BANKERS LIFE OF IOWA** had issued and paid for business in October of \$39,066,227, an increase of more than \$8½ million over the same month last year. Ordinary accounted for \$20,878,970, with the balance of \$18,187,357 group. Production for the first 10 months of 1957 totaled \$374,236,649, an increase of more than \$141½ million over the same period last year. Total life in force was at a new high at the end of October with \$2,908,703,641.

**GUARANTEE MUTUAL LIFE** gained 40% in life sales and 28% in A&S over the first 10 months of last year. Record gains have been made for the past three years with no increase in the size of the field force. Last year was previously the greatest year in the company's history. The Earl J. Knutson agency of Portland, Ore., was the leader in sales with three and three quarters millions. Leader in A&S production was the Elmer D. Stemsrud agency of Minneapolis.

## Pictured At Chicago CLU Economic Conference



Shown at Chicago CLU chapter economic conference, from left, Robert J. Murphy, Prudential manager and chapter president; Paul W. Cook, Mutual Benefit Life general agent, the moderator; Charles B. McCaffrey of Seefurth, McGiveran & McCaffrey, pension and profit sharing consultant; Walter G. Wegner, New England Mutual, chapter vice-president, and Lawrence G. Knecht, Cleveland attorney.



D. K. Burtner, GA  
Stockton



J. D. Ingram,  
Chicago



C. T. Johnson, GA  
Grand Rapids



W. U. Ogletree,  
Baltimore



J. M. Utter,  
Seattle



E. J. Wills,  
Home Office



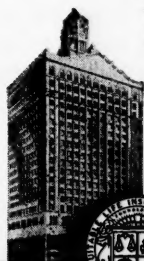
E. E. Woelzel,  
Wichita

## CONGRATULATIONS TO NEW CLUs



TO BE known as a Chartered Life Underwriter distinguishes a man — it gives him professional stature. And to the men upon whom this designation has just been conferred at the 68th annual NALU convention, we offer our best wishes for a very successful future.

Particularly, we are proud of these seven new CLUs from the Equitable Life of Iowa. This brings to a total of 67, the number of Chartered Life Underwriters among our field and Home Office associates.



# Equitable

LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

## Lehr, Nelson Resign Posts At Maccabees; Successors Named

Two top executives of Maccabees have resigned—President John C. Lehr and Secretary-treasurer Norman C. Nelson. Mr. Lehr's announcement on Nov. 18 coincided with his fifth anniversary in that office and his 79th

birthday. Upon his retirement, he was named chairman.

Appointed to fill the presidential vacancy was George Shelley vice-president and director eastern division New York City. Mr. Shelley assumes his position with an extensive background in the insurance field, as well as in the Maccabees operations.

He has been with the company since 1936 and has held many positions, including agent, metropolitan manager New York City, state manager of New Jersey, Connecticut and Rhode Island,

director of the eastern division, and a director of the International board of trustees.

Mr. Lehr's retirement rounds out 53 years of service to the Maccabees, his career beginning in 1904 as auditor of Knights of the Modern Maccabees. In 1908, he was elected a member of the executive committee. When Knights of the Modern Maccabees and Maccabees of the World merged into the Maccabees in 1914, he retained that position. In 1924, he was appointed state secretary of Michigan Mac-

cabees. He became state manager of Michigan in 1947, and in addition, a



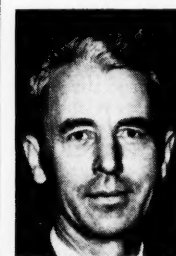
John C. Lehr



George Shelley

year later, a member of the supreme board of trustees.

In 1952, upon the death of the late John P. Stock, Mr. Lehr was appointed



N. C. Nelson



Emile A. Haar

as president. His public career has also been a distinguished one, including city attorney for Monroe, Mich., and former Michigan representative of U. S. Congress, and attorney for the eastern district of Michigan.

L. F. Ayer was appointed to fill the vacancy on the board created by Mr. Shelley. Mr. Ayer has been with the Maccabees since 1926, being elected state manager-great commander of Michigan in 1953.

Mr. Nelson, who resigned because of ill health, has been with the company since 1925. He is a Fellow of LOMA. Emile A. Haar was appointed to fill the secretary-treasurer post. With the company since 1922, he has been manager of the western New York division, as well as a trustee for New York state and a member of Maccabees international board of trustees.

### Maccabees Names Hillenmayer As Underwriting Specialist

Donald M. Hillenmayer has been appointed an underwriting specialist by Maccabees. He will supervise the home office underwriters and work on various research projects. From New York City, Mr. Hillenmayer was with New York Life for seven years.

**Aid Association for Lutherans** general agents will hold a meeting in Milwaukee Jan. 16-17, 1958, Hotel Schroeder. Field problems, practices, and methods will be discussed. Forty-three general agents are expected to attend.

**Woodmen of the World**, Omaha, has purchased the Henry C. Lytton department store property at Oak Park, Ill., for \$1.2 million

### McConnell Dismisses World Life, United Cases

Cases against World Life of Omaha and United of Chicago charging both with using false and misleading advertising in respect to disability insurance have been dismissed by Commissioner McConnell of California. Mr. McConnell said World Life is now complying with California laws on advertising, and declared that it was against public interest to waste funds of the company and the department in further trying matters that are at most of academic interest today. Dismissal of action against United was on similar grounds.

Out of the past  
comes the tradition of  
**LOOKING AHEAD**



Continental American's fifty years of leadership in the life insurance field proves the soundness of our traditional principle—the principle of better serving our policyholders today by anticipating their needs for the future. The foresight that yesterday projected the life insurance pattern of today, and that today charts the programs for tomorrow, is a Continental American tradition that finds practical expression in these assets:

- Our policies are designed to meet the present and future needs of our customers and are distinguished by low premiums and extreme flexibility.

- Our growing staff of carefully selected, well-trained representatives skillfully serve the needs and merit the confidence of their clients.

- Our financial strength provides the utmost security for our rapidly growing family of thousands of satisfied policyholders.

With more than 390 million dollars of insurance now in force, Continental American—this year celebrating a half-century of leadership—carries its tradition forward... resolved to serve its customers always, as in years past, by looking ahead.

*Continental American*

LIFE INSURANCE COMPANY  
WILMINGTON, DELAWARE

Originators of the Family Income Policy



## FIELD CHANGES

### Bankers Life Of Iowa

John G. Scarborough has been appointed group representative at Houston, Richard W. Webber, Cleveland group manager, and Gerald D. O'Connor, Los Angeles group office supervisor.

Mr. Scarborough, who will be with Steve T. Whatley Jr., regional group manager, and Oscar L. Newton Jr., group representative, has had four years insurance sales experience. Mr. Webber, who will work with Melvyn L. Shields, regional group manager at Pittsburgh, has been in various sales and administrative posts



J. G. Scarborough



G. D. O'Connor



R. W. Webber

with a large eastern group-writing company for five years. Mr. O'Connor, who will be with J. T. Rainey, regional group manager, and Paul F. Clark, Loren D. Ward and George W. Jennings, group representatives, has had four years experience in the group department of another company.

### Occidental Of California

William F. Cummiskey has been named a partner at Glendale with Frank B. Swanson, general agent, to form the Cummiskey-Swanson agency. Mr. Cummiskey joined Occidental at Glendale in 1947. He moved to the home office in 1949 as assistant director of field training and returned to the Swanson agency in 1951. Mr. Swanson has been with the company for 30 years and was named general agent at Glendale in 1936.

Peter J. Yannotta has been appointed assistant manager at Newark. He entered the business in 1955 with Metropolitan Life and later was associated with State Farm Life.

### Colonial Life

Gerald W. McEwen has been appointed regional superintendent with responsibility for developing ordinary life sales in eastern Pennsylvania. He will be located in the Philadelphia office of Chubb & Son at 816 Public Ledger building. He has been general agent of Colonial at Union, N. J., and formerly was in the home office agency department. He entered the business with Provident Mutual at New York.



G. W. McEwen

### All American L. & C.

Ben Kotecki and George Geneser have been appointed to service several counties and be in charge of recruiting

and training in Florida and Des Moines, respectively. Mr. Kotecki, who will be under the direction of Harold A. Lanigan, Florida state manager, was formerly with United Ins. Co. Mr. Geneser was with Bankers L. & C. for six years, five of which he was district manager in the Fort Dodge and Des Moines area.

### United States Life

Robert Cousy and Joseph Sharpy have been appointed co-general agents at Worcester, Mass. Mr. Cousy, star of the Boston Celtics professional basketball team, is one of the all-time greats of the game. He is new to the insurance business. Mr. Sharpy, president of the new agency, has been with Estes & Johnson, general insurance agency at Worcester, for 10 years.

### Continental Assurance

The Rummel & Freeman agency of West Catasqua, Pa., has been appointed general agent by Continental Assur-

ance. Charles E. Rummel and Roy A. Freeman are the general agents. Mr. Rummel has been in the insurance field since 1935 as a personal producer and in 1946 he became a partner in his first general agency. Mr. Freeman began his life insurance career in 1939 as a personal producer.

### Connecticut Mutual

William J. Cooper has been appointed general agent at St. Paul to succeed Joseph A. Diefenbach, who has retired after heading the agency for 20 years. Mr. Cooper entered the business with Equitable Society in 1946 and has been manager at St. Paul since 1951. Mr. Diefenbach has spent 46 years in the business, 21 of them with Connecticut Mutual. Although he is retiring from active agency management, he will remain with the agency as associate general agent.



W. J. Cooper

### Aetna Life

Louis L. Stokley has been promoted to assistant general agent at Lexington, Ky. He has been a supervisor for three years and is a CLU.

### Prudential

William D. Malone has been named district manager at South Tacoma, Wash. He joined Prudential in 1954 at Santa Ana, Cal., and was advanced to staff manager there two years later. In May of this year he was appointed training consultant.

### Life Of Virginia

Frank L. Summers has been appointed manager at Staunton, Va. He has been associate manager since 1951.

### Pacific Mutual

Robert J. Simpson and John L. Hogg have been named agency managers at Philadelphia and Sacramento, respectively, for Pacific Mutual Life. Mr. Simpson had been at Washington D. C. since 1953, and Mr. Hogg was at Los Angeles for over two years.

Hugh E. Gibson has been named manager of the group office in Port-

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The cash income during 1956 reported by qualifiers at our recent Life Producers Convention averaged

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This income figure emphasizes the cash value of the sales advantages—rates, practices, broad coverage, and service—which are enjoyed by Provident producers.



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land, Ore. He replaces Leonard H. Falk who will assume new duties at the San Francisco group office. Mr. Gibson has served in Pacific Mutual's group insurance division since 1955, and has previously been a home office representative in Cleveland and Philadelphia.

### Mutual Of New York

C. J. Frey, manager at Erie, Pa., since 1933, has retired. He has been succeeded by **Joseph Hetra**, who has been receiving special managerial training at the home office for a year. He entered the business with Mutual at Pittsburgh in 1951 and was named assistant manager in 1954. Mr. Frey joined the company at Baltimore in 1926. He is past president of



Joseph Hetra

Pennsylvania Assn. of Life Underwriters, the Erie association and Erie General Agents & Managers Assn.

The company will open an agency in Trenton, N. J., on Jan. 1. **William Hartt** has been appointed manager. He joined the company in 1948, was named assistant manager of the Myer agency at New York in 1950, has been undergoing special managerial training at the home office since May.



William Hartt

### Midland Mutual Life

**Walter J. Chacker** and **Roy D. Butler** have been appointed general agents. Mr. Chacker's agency at Philadelphia serves four counties in the state. He was formerly a general agent for Sun Life of Maryland and before that was with Equitable Society. Mr. Butler, who will represent Midland in nine California counties, was previously with Mutual of New York in Sacramento.

### Mutual Trust Life

**Clyde W. Brunner** has been named general agent at Pittsburgh. An accountant and tax consultant, he entered the life insurance business in 1954 and has had experience as a personal producer and as manager of the life department of a large general insurance firm. He will make his headquarters in the Law and Finance building, 429 Fourth avenue, Pittsburgh.

### General American Life

**V. Randall Workman** has been appointed a district manager in St. Louis. He is the first district manager to be graduated from the two-year intensive course in agency management conducted as part of the company's program for agents. He joined the company in 1955.

### Connecticut General

**Robert D. Heins** and **Homer A. Mann** have been named brokerage consultants at Newark and Memphis, respectively.

### Great-West Life

**Eric Carroll** has been named as a supervisor at Vancouver and **A. R. Jost** in a like position at Newark. Mr. Carroll, who entered the life business in 1955, will assist C. F. Dunfee, Vancouver manager, in directing operations

on the British Columbia mainland. Mr. Jost, with another company in the Newark area for several years before going with Great-West, will be with V. K. Pittfield, Newark manager.

### Bankers Security Life

**Bernard A. Stein** and **Henry Stein** of Stein Associates, Hewlett, L. I., N. Y., have been named general agents of Bankers Security Life. They are brothers. Bernard Stein has been an associate general agent of Mt. Vernon Life since 1949.

## QUALITY

**NQA WINNERS FOR 1957**

Name	Years Won
Robert Woo	13
Don A. Seeds, CLU	10
Merle J. Vote	9
Harold D. McKelvey	8
Charles C. Morrell	8
Gilbert Y. Yee	8
John L. Letsinger	7
S. Thomas Liu	7
Raymond A. Garibaldi	6
William Wilcox	6
Ed J. Dailey	5
Nick H. Glenn	5
Peter R. Baldo	4
Joe E. Brazil	4
Raymond H. Irby	4
John S. Lamanna	4
William M. Matsumoto	4
Henry R. Anderson	3
Leland G. Conroy	3
Wellman C. Garrity	3
Donald A. Adams	2
Martin J. Adler	2
Gene Burgoyne	2
Ellen May Burns	2
Leonard C. Devoy	2
Daryl D. Fowler	2
Herbert Gee	2
Henry E. Krebs	2
Willard S. Layne	2
George K. Mukai	2
James W. Peacock	2
Raymond F. Selesia	2
Harry J. Walsh	2
Ted T. Yamanaka	2
Charles W. Abbott	1
Wilfred P. Brown	1
Charles S. Colvin	1
Peter H. Dillingham	1
Donald C. Eldridge	1
Donald A. Forbes	1
Joseph F. Goff	1
James Hall	1
Robert L. Hong	1
John A. Iaconis	1
Anthony J. Machado	1
Owen F. McCusker	1
John Montrello	1
Charles L. Shank	1
Nathaniel R. Smith	1

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Average income over \$12,000 per year.

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## HOME OFFICE CHANGES

### Security Mutual

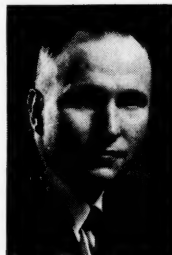
**Ralph J. Hasbrouck**, administrative vice-president since joining the company in 1954, has been promoted to the new post of senior vice-president. He formerly held actuarial posts with Prudential and is a fellow of Society of Actuaries. **Robert G. Hill** has been appointed 2nd vice-president in charge of the A&S department. He entered the business with Paul Revere Life's claim department in 1936 and went with Loyal Protective Life 10 years later. He has been in State Mutual's A&S department since 1953.



R. J. Hasbrouck



R. G. Hill



E. J. Vanderbilt Jr.

**Eugene J. Vanderbilt Jr.**, in Security Mutual's A&S department since 1953, has been promoted to superintendent of agencies. He entered the business with Equitable Society's group department in 1940 and became assistant group department manager of TerBush & Powell, Schenectady, N. Y., in 1948.

### State Farm Life

**David E. Swanson** was named vice-president at the company's western office in Berkeley, Cal. He has been assistant vice-president there. **Leo M. Neil** moves from risk analyst in the home office to assistant vice-president at the head office in Birmingham, Ala. Mr. Swanson joined State Farm Life in 1937 and has served in the Berkeley office since 1947 when he went there as chief underwriter. Mr. Neil has held posts as underwriter, senior underwriter and chief underwriter.

### Ohio National Life

**George Grace** has been promoted to the newly-created post of director of insurance services to coordinate all home office activities pertaining to policyholders' service for Ohio National Life. With the company for nearly 30 years, he was director of group and pension sales prior to his appointment.

### John Hancock

**H. van B. Cleveland** has been named associate counsel in John Hancock's law department. He has been executive assistant with special assignments in agency and market research.

### Republic National Life

**Robert F. Conley** has been named superintendent of brokerage agencies in the Dallas home office. He joined the company at Aurora, Ill.

### Home Life

**George N. Emory** and **John E. Crane** have been elected vice-president and financial vice-president, respectively, of Home Life of New York. Mr. Emory has been financial vice-president since

1940 and a director since 1949. Mr. Crane, who has been an investment officer of Northwestern Mutual, will be in charge of Home Life's investment activities. At Northwestern Mutual he specialized in industrial securities.

### State Mutual

**George J. Dockins** has been appointed superintendent of agencies. He will direct State Mutual sales in Virginia, North Carolina, Tennessee, Kentucky, Louisiana, Alabama, Georgia and Texas. He entered the business with Mutual Benefit Life in 1947, became brokerage manager of Occidental Life of California in 1952 and was a branch manager for that company in Birmingham before joining State Mutual. He is a past president of Alabama Assn. of A&H Underwriters.



G. J. Dockins

### Phoenix Mutual Life

**Dennis F. Harcastle** has been appointed manager of the company's new group sales division. He joined the company in 1956 as supervisor of specialized sales. He was previously with Connecticut General and U. S. Life as director of sales.

### Life Of Virginia

**William H. Lewis** has been appointed assistant actuary. He has been associate actuary of Union Life of Richmond for three years.

### Great-West Life

In recent home office appointments, **J. B. Nettelfield** has been named superintendent of reinsurance and **J. W.**



J. W. Brice



J. B. Nettelfield

**Brice** becomes superintendent of agency administration. Mr. Nettelfield joined the company in 1935 at Toronto and later served as branch manager at Toronto and Montreal. He was appointed assistant superintendent of agencies in 1946 and has been superintendent of agencies since 1950. Mr. Brice joined the underwriting division of the company in 1946. He became reinsurance secretary in 1948 and was promoted to underwriting secretary in 1953.

### Equitable Society

**Maurice Heckscher**, a Philadelphia attorney, has been elected a director.

**CAROLINA HOME LIFE—L. E. Murray** has been named director of agencies to replace **J. R. Rogers**, who has resigned and now is an agent of the company.

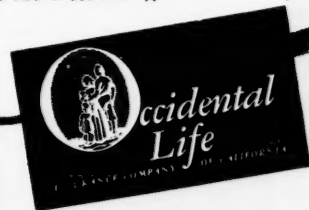
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## WHEN IS A GIFT NOT A GIFT?

Except for our scholarships—because they honor most the students and the schools to which they are awarded—we do not normally advertise our fraternal benevolence program. We feel it would unduly detract from the intended spirit of fraternal helpfulness and good will in which our support is given. Yet this year we gladly allotted over \$400,000 to Lutheran mission, welfare, social and educational agencies, and for publication of our Church conscious quarterly magazine, *The Correspondent*.

While there can be no denying that all this activity has a commercial value, of which we are

fully aware, we follow the self-imposed rule—no direct advertising—in order to minimize the commercialization and to distinguish our fraternal benevolence program from our sales promotional activities.

Our fraternal benevolence program is intended primarily as a helpful recognition by our Aid Association for Lutherans of the wonderful Christian work of Synodical Conference Lutherans—the people we serve. We feel that a benevolence is not a benevolence if it is intended purely or primarily for business advantage.

### Aid Association for Lutherans

APPLETON, WISCONSIN

America's largest fraternal life insurance society

## Success Depends On Careful Recruiting, Selection

(CONTINUED FROM PAGE 5)

his wife in his home. During this time, we are talking to his references.

It is at this point that we start selling the man on us. We parade our associates before him until his head swims from seeing rosy-cheeked young men.

We sell him our average associate, who, after 2 3/4 years of experience, produces at the rate of \$650,000 per year. We sell our training program. We sell no bull pen, but private offices—they may be awfully small, but they're private! We sell the best office organization in the city. We even sell background music in the office, plus a coffee pot.

Then we take it all away and try to make it tough for him to enter the golden circle. He must now undergo six weeks of pre-contract training on Wednesday nights and Saturday mornings. He must complete part of the company's study course and he must

conduct prospecting interviews, learn sales tracks, and even accompany one of our associates on interviews.

They drop out of this program like flies! But once in a while a man sticks—our man.

In the past 12 months, we have had 25 men in pre-contract training and have only started four of them. We assumed five years ago that we were not exceptional selectors, so this program helps protect us against ourselves.

Now that our man has survived this far, how do we get him to produce? We are convinced that our new associate will survive not because of what he knows, but on the basis of how fast he acquires skills and habits. After he's survived, we will give him the knowledge and finesse to become a "business gentlemen" at our leisure.

Our new associate has three 2-hour clinics per week with other new men

and our supervisor where, by drill and practice, he learns the skills of using the telephone to get appointments, using a sales track, and how to prospect. On Monday morning, for example, these men make inter-office phone calls to practice their techniques, plus calls to live prospects with the other clinic members listening on extensions. They drill and drill on interviews and closing techniques and how to get referred leads. They do one full day of joint work each week with our supervisor for six months. They have a coaching conference each week on results and records. Our standards are 75 phone calls per week, resulting in 15 appointments and 1 1/2 sales each week.

If our new associate misses, he's got a lot of explaining to do. In their first year, we don't give our new men time to think. If they get in trouble, we give them our personal cases. We know this is wrong, but three years ago, for example, I gave a \$10,000 ordinary life case to one of our young men to keep him in the business. In 1956 this young man paid for 115 lives for over \$1.3 million. I want to make a lot of mistakes like this.

I am convinced that the selling phase of our business is losing to other industries and to management a great many successful salesmen who should stay as producers. These men have survived the ravages of early turnover and have become successful, but they have come to feel that life is boring. Too often, we in management are tempted to leave well enough alone and to concentrate on our problem children. We are prone to spend a greater amount of time wrestling with our failures than with our successes. In time, however, these successful men have sold enough family programs, business cases, estate plans and pensions to take the romance out of their business lives. The quest for just more dollars cannot forever be their incentive.

In 1956 we found ourselves with some of these men—all under 32 years of age who could sell \$1 million of insurance each year. All showed signs of boredom and unrest. The business was no longer providing any challenge or the opportunity to be creative and to grow. If, as general agent, it is my job to be their leader, then it's up to me to provide a real challenge and an opportunity to create. We feel that we have found the solution to the problems of providing a real future to these successful producers.

In February of 1956 we formed a separate company known as Hunting Planning Associates. This group, initially composed of four men including myself, is housed in separate quarters adjacent to the general agency. Hunting Planning Associates is more than just a facade to hide behind so that you're not just another agent from another insurance company.

First, these men are leaders and must be given the chance to exercise leadership, to make decisions and to participate in management. I am an equal partner in the firm with no power of veto. The firm is a profit-sharing venture, as the agency contributes to Hunting Planning Associates, based on the production of the firm, including my own personal production which is channeled through the company. The members of the firm then decide where the money will be spent and what for. I was amazed at how wrong I would have been if, as general agent, I had tried to spend the money myself. Right now, every penny we get our hands on goes into quar-

ters, sales promotion, secretarial services, lawyers' and accountants' fees. However, we jointly decide where the money will go.

We are convinced that this company is the merchandizing unit of the future. First, we are developing our clients as Hunting Planning Associates clients rather than clients of the individual associates. We carefully arrange that our clients get used to dealing with members of the firm other than the so-called writing agent. We have divided the responsibility for technical competence in the various phases of insurance among the partners and are slowly building a staff to free the members of the firm from all detail, even writing applications. The firm offers a complete service, including a general insurance department staffed by a casualty manager.

The agent is becoming more of an account executive than a salesman, as we know him. His job is to sell the services which we as a firm can perform.

With the increase in social security, group life, pension plans and deferred compensation, the market to which we want to sell is rapidly narrowing. We are really excited about the future of the firm and its role in what will be the fierce struggle for the top insurance dollar.

Any new associate in the agency is eligible for membership in Hunting Planning Associates when he fulfills the following requirements: He must have been with us for two years. He must have completed New England's full training course. He must have passed at least one CLU exam and agree to obtain the designation. His

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production must have exceeded \$750,000 the previous year. We believe our younger men in the agency will work harder to join such a select group than just because it's good for them.

Hunting Planning Associates, to us, is a device to retain those men who are successful. In many respects, it satisfies some of the desires any man has for management work. It also provides us a vehicle under one roof with a small group of well-qualified agents to face the competitive threat of multiple line sales. With such a group, we can afford a good general insurance department without paying the price of lost time from the life insurance business because of casualty service problems.

I do not want to appear naive, however. I feel that it has been an easier job to have started a scratch agency than to have taken over an established office. A scratch office offers the opportunity to devote 100% of your time to building an organization unencumbered by unfamiliar service problems, office detail and another general agent's associates. Too often, the new manager or general agent will become so engrossed with the problems already existing that he will be seriously handicapped in building a new organization. This gives the scratch agency manager or general agent a great advantage in that he has only one job to do—build.

There is only one disadvantage to a scratch agency—there's no place to hide. However, you can't imagine the effect on the general agent's morale to see his agency climb from the bottom of the ladder of agency rankings in the company to the top 30% in five years.

We have made many blunders during our short history. However, I would like to pay tribute to New England, which patiently let me make mistakes in order that I could learn even when it cost money. I suspect that at times this was hard for them to do. However, it is about the only way a new manager can learn.

As a general agent, it is my obligation to my company and my associates to have a successful agency. For the agency to be successful, our associates' success must come first. Our agency has no secrets, no deals, no special arrangements that everyone doesn't know about. We try, above all, to build confidence and the feeling among our associates that "I'll be better off with this crew than I would be without them."

### Hawkeye-Security, Farmers Life To Share Facilities

Farmers Life of Des Moines and Hawkeye-Security have made an agreement under which each company makes its facilities available to agents of the other.

Farmers Life was organized in 1922. On Dec. 31 it had assets of \$9 million and insurance in force of \$2 million. L. M. Peet is president.

Hawkeye-Security group includes Northeastern, Industrial, United Security and United Service Life of Washington, the latter writing life only for officers of the armed services. Total assets of the group as of Dec. 31 were \$58 million. The president is George Olmstead.

The Jaffe agency of New York, general agents of Colonial Life, will hold a business life insurance forum for brokers Dec. 4 in the Hotel Edison. George C. White, manager of the life department, will be principal speaker. Alfred I. Jaffe, vice-president of the agency, will be moderator at a question and answer session.

### Hancock To Pay Extra Dividends On Some Term Supplements

John Hancock next year will continue the several scales of annual and settlement dividends which applied to all classes of ordinary policies and retirement annuity contracts during 1957.

Additional dividends under policies which include term supplements will be made available for the first time. These additional dividends will, in most instances, begin after the supplements have been in force for two or three years. On policies issued prior to Sept. 1, 1957, corresponding additional dividends will be paid under family income and mortgage redemption policies as well as policies which include term supplements. In the latter case, the additional dividends will be payable during the premium-payment period of the supplement.

The scales of annual and settlement dividends which have been in effect this year with respect to weekly and monthly premium industrial policies will be continued.

A new program of mortuary and surrender dividends will be initiated for weekly and monthly premium industrial policies which became fully paid-up prior to the year of their termination. When these policies are terminated by death, a mortuary dividend will be paid at the rate of \$7.50 per \$1,000. When they are surrendered the company will pay a surrender dividend equal to the cash value of a paid-up addition to the policy for the amount of the mortuary dividend. This is in addition to any settlement dividend which may be payable under existing scales.

Rates of interest allowed during the current year on the various funds held on deposit or retained under policy provisions generally will be continued during 1958.

Dividends upon group life and group A&S policies and group annuity contracts based upon experience will be voted at the December board meeting.

### Order 3 Insurers To Pay Taxes, Defend Licenses

Commissioner Hunt of Oklahoma has ordered three out-of-state insurance companies to pay \$144,141 in taxes and penalties and show why their licenses should not be revoked.

The three—Reserve Life of Dallas, Pyramid Life of Kansas City, and American Security Life of Marshall, Tex.—were charged with evading the intent of Oklahoma law reducing premium taxes of companies which invest in Oklahoma securities. Under this law, companies with 2% of their admitted assets invested in Oklahoma securities get a reduction on the 4% tax they pay on premiums in that state. Department findings show that all three companies for the past few years have been making investments during the latter part of December and selling them the next month.

The companies were ordered to show why their licenses should not be revoked on the grounds that they had not complied with the law in that proper and correct premium tax was not paid, and that their dealings render further transactions in Oklahoma hazardous to policyholders or to the citizens of Oklahoma.

The department billed American Security for \$34,361 in premium taxes and \$3,000 in penalties, Reserve for \$76,314 in taxes and \$3,000 in penalties, and Pyramid for \$26,465 in taxes and \$1,000 in penalties.

### Chicago CLU Economic Conference Big Success

Chicago CLU chapter's annual economic conference held last week hit a new high in attendance. Some 145 life men, trust officers and attorneys put in a two-day stint of concentrated study. The program matched in quality the record quantity of attendance. Since these meetings are highly specialized, the usual turn-out seldom exceeds 100. (Picture on page 11)

Chapter President Robert J. Murphy, Prudential manager, outlined the *raison d'être* of the meeting, to bring estate and tax problems to the attention of business men and the general public, particularly those of modest estates, through the professional counsel of the life agent.

From there on in the meeting was in the hands of two eminently qualified speakers—Lawrence G. Knecht, Cleveland attorney and special counsel to the trust companies of Ohio and operator of Powers System of Estate Analysis; and Charles B. McCaffrey, attorney, partner of Seefurth, McGivern & McCaffrey, Chicago and Milwaukee pension and profit sharing consultants.

Mr. McCaffrey mentioned particularly the problem of adequately compensating professional managers of business. He outlined the development of a key management group, the members which rely primarily on their compensation (as contrasted with ownership) for their families' financial well being, which has been a notable feature in American business.

Nevertheless, he said, as important as current compensation has become, the high tax rates in the middle and upper income brackets have made it extremely difficult for these men to build reasonable capital savings for themselves and their families. This explains the growing interest in deferred compensation plans funded through life insurance, he declared.

Mr. Knecht said the tremendous possibilities in working out flexible family plans by the wise use of trusts is hardly realized by the public today even in areas like Chicago. Most people think of the trust as something for only the very wealthy, which is not at all the case. In fact, persons of moderate means are often more in need of trust services than those with huge estates, the idea being that persons with relatively small estates should be more concerned that what they have is best conserved.

Both speakers detailed numerous cases they had worked on to make the

### NALU President Comments On Group Insurance Editorial

President Albert C. Adams of National Assn. of Life Underwriters writes:

I am sorry to see that you have joined the debate on group insurance as evidenced by your editorial in the Nov. 1 issue of THE NATIONAL UNDERWRITER.

And I call it a debate because Mr. Fitzgerald and others including myself are simply expressing personal opinions and nowhere is there in existence—facts.

As I said in Chicago on Wednesday (at the LIAMA meeting), if you can prove that those covered by group insurance have bought more permanent insurance after the group insurance was effective, by class, than those who are not covered by group insurance, I will be satisfied. I believe it is true to say that all that we in the field know is that in certain situations the writing of group insurance has caused the lapse and surrender of permanent insurance. There is nothing to prove that anything other than this has occurred and it seems to me that the tremendous resources of the insurance companies, LIAMA and the Life Insurance Institute, and if necessary, outside help, should be used to prove one side or the other and let's get it off the front pages.

The expectation that agents will be able to charge service fees for advice to anything other than an infinitesimal number of life insurance owners is beyond my comprehension. The work that the agent does in service is expected by the policyholder. The charge of a fee will certainly be shocking to almost every insured.

This debating makes very nice conversation but as a solution I don't think it is worth a tinker's dam.

various points discussed crystal clear, and both men also stressed the importance of the life agent's role in calling the public's attention to estate problems. Inasmuch as the life agents' daily function is to call on business and professional men, they are able to do this much more effectively than anyone else.

Paul W. Cook, Mutual Benefit Life general agent, was moderator for the two-day session.

Security-Connecticut Life held its annual management conference at the home office for managers and general agents who qualified for attendance by their 1957 agency production.

### READY FOR YOUR OWN AGENCY?

Pick Illinois or one of 14 states west of the Mississippi River and you can mold a fine career for yourself with a rapidly expanding, 50 year old company. You'll agree that our merchandise is up-to-the-minute and our contracts are very attractive too. Grow with us!

**Midland National**  
LIFE INSURANCE COMPANY

HOME  
OFFICES

Watertown, South Dakota

Write  
H. S. HAGAN  
President

## Make Insurance Covers More Appealing: Plumley

(CONTINUED FROM PAGE 3)

a position, advance a cause, support a supreme effort and tolerate broad points of view. So today this institution, which was founded on the principle of alleviating human distress through self-help, might well remind itself and make manifest to others that we 'stand for' certain basic principles, fully realizing that the very act of such advocacy places firmer in place the responsibilities we carry. The implementation of such principles will take conviction born of scientific preparation and common-sense

planning—a keen perception of proportion. It will take courage rather than daring, and a tough determination that deeds, not opinions, must be our answer to the problems of today and tomorrow.

"So on this day of Nov. 19, 1957, at the time of the dedication of our new home office, those of us connected with this insurance company in any capacity pledge ourselves and charge our successors:

"To identify and fulfill the insur-

ance needs of America to the limit of our ability.

"To keep open the way by which fathers, mothers, husbands, business and professional men and women, and those in public service can in freedom, in confidence and in privacy, arrange secure financial benefits for persons close to heart and mind.

"To so invest our funds that not only are our policyholders assured of the absolute fulfillment of their contracts but that the country and its enterprises are invigorated and its peoples helped in their way of work and their joy of home ownership.

"To pursue our tasks with professional objectivity and a passion for work well done.

"To not take our work so seriously that we lose the joy of avocational activities and association with one another.

"To contribute, wherever we may be located, to community life—to support good government, worthy charity, and public institutions."

State Mutual, in renaming itself as "of America," Gov. Furcolo told the

gathering, "caught up with history in that it is one of a tiny handful of only 19 companies in the whole life insurance business which spread their benefits by being licensed in all of the 48 states."

Hence, said the governor, the flags from all 48 governors.

"May they be ever eloquent in reminding you," he said, "that this company of yours, which began so long ago and so modestly here in the little town of Worcester, today bears a significance in service to Americans from coast to coast, wherever they are—a significance which has never, I hope, been so feelingly expressed as my colleagues and I express to you right now."

## State Farm Life Begins Pre-Authorized Check Plan

State Farm Life has adopted a pre-authorized check plan. Checks are drawn monthly on the policyholder's bank to pay premiums direct to the company. A policyholder with several policies can have all premiums combined into one monthly check under this plan. The company plans to encourage policyholders to transfer to the pre-authorized check plan wherever possible.

## WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

## LIFE INSURANCE METHODS SPECIALIST

Chicago Home Office of a newly established Life company has need for a man experienced in Policy Issuance or Life Methods and Procedures work. This position carries responsibility for developing office systems and procedures and provides an excellent opportunity to advance with a rapidly growing firm. Applicants should presently be engaged in life insurance methods work or in a managerial capacity in policy issue. Replies will be held in strictest confidence and should include in detail qualifying experience. Please state age, education and expected salary.

Box X-90

The National Underwriter Co.  
175 W. Jackson Blvd.  
Chicago 4, Illinois

## ACTUARY

Medium sized mid-west life and accident & sickness insurance company needs a young actuary with group experience to assist in the reorganization of group actuarial department. Unusual opportunity to participate in designing new record systems and procedures. Want an ambitious man who has completed or intends to complete the examinations and is capable of developing rapidly into top level actuarial position. Initial salary and future outlook are excellent. Replies confidential.

Write to:

Box # Y-3, c/o The National Underwriter, 175 West Jackson Boulevard, Chicago 4, Illinois.

## Training Supervisor, Boston

New England Life's top in-force agency seeks aggressive, experienced supervisor to recruit and train new manpower. Right man with management ambitions assured of opportunity to advance. Salary plus incentive plan and limited personal writing should total five figures. Newly modernized quarters and exceptional fringe benefits. Write Box Y-4, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED EDPM SPECIALIST

Splendid opportunity open for man or woman experienced in programming I.B.M. 650 as programmer and manager of I.B.M. department of well-established, medium-sized midwest life insurance society. In reply give age, education, business experience, salary expected and enclose photo. Reply confidential. Address Box Y-5, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## FIELD UNDERWRITER

C.L.U., age 30, with 6 years experience as Agent and Supervisor with large Ordinary company desires Home Office position in Sales Training, Sales Development or Allied Field. Prefer small or medium sized co. in Northeast. Address Box X-14, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED TO BUY

Small or medium size Life Insurance Company. Replies confidential. PIONEER INVESTMENT COMPANY, P O. Box 463, CHICAGO 90, ILLINOIS.

## WANTED LIFE GENERAL AGENTS

Excellent openings for experienced life underwriters of proven sales ability. This is a real opportunity for the right man to build his own agency with an established Legal Reserve Company, writing all forms of Life, A&H, and Group business. Top contracts and commissions with vested renewals and exclusive territory. Our own Agents know of this Ad, so write in confidence to Agency Director, Box X-79, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## ACTUARIAL STUDENTS

Progressive Southeastern multiple line insurance company has attractive openings, with exceptional advancement opportunities, for Actuarial students. Salary: \$7,000 to \$10,000. Send full particulars to Box X-75, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## LIFE EXECUTIVE AVAILABLE

Executive, age 40, with top level experience in all phases of life company operations, including new company organization, desires change for family reasons. Top references; full details on request. Box Y-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## LIFE INSURANCE CONSULTANT

Unusual opportunity is available in New York to a man with broad life insurance and estate analysis experience as senior representative to one of the oldest and largest brokerage firms.

Candidate should be around age 35 and, although doing well in his present position, would be interested in broadening his horizons and increasing his responsibilities.

The right man should have a personality and background that will enable him to consult with and advise top executives regarding their insurance and estate planning problems.

The position offers a good starting salary and an excellent opportunity for advancement.

In replying, please state age, experience and qualifications. All replies will be treated in strict confidence. Address Box NY-72, c/o The National Underwriter Co., Advertising Dept., 17 John St., New York 38, N. Y.

## A CHALLENGING OPPORTUNITY for CAREER ACTUARY

in new Actuarial Division of 50 year old Life and Accident Health Company. Age and experience open. Prefer man with at least five years experience, who has completed most of his exams, or willing to do so. Job will appeal to man with vision and ability to meet the challenge of an expanding opportunity within company management. Write Box X-60, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED ASSISTANT ACTUARY

Due to expansion program of well-established, medium-sized mid-west life insurance society, a fine opportunity is open for a qualified man or woman as assistant actuary. In reply give age, education, business experience, salary expected and enclose photo. Reply confidential. Address Box Y-8, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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# Scenes From Dedication Exercises At New Home Office Building Of State Mutual Life At Worcester



President H. Ladd Plumley of State Mutual Life accepts symbolic state flags from every state in the union from Gov. Furcolo of Massachusetts. The presentation climaxed dedication ceremonies at the new home office in Worcester.



President Plumley presents a silver tray to Honorary Chairman Bullock in tribute to his long service to State Mutual, which he headed for many years as president. At right is Bishop John J. Wright of the Catholic Church.



Nearly 2,000 thronged Bullock Memorial Hall for dedication ceremonies at the new State Mutual home office. All employees attended the principal ceremonies and the luncheon afterward.



The dedication of the new home office coincided with the 12th anniversary of the group division of State Mutual. Vice-president Alan R. Willson cuts the birthday cake.



Prominent leaders from the U.S. and abroad were at the dedication: From left, Philip Talbott, president of the U.S. Chamber of Commerce; Georges Tattevin, president directeur general of Compagnie Generale d'Assurances of Paris, and President Plumley of State Mutual.



Senior Vice-president Irving T. F. Ring (center) of State Mutual, who was master of ceremonies, and two of the Massachusetts dignitaries at the dedication, Secretary of State Cronin (left) and Insurance Commissioner Humphreys.

## Reversion To 1942 Tax Base Would Be Unfair

(CONTINUED FROM PAGE 1)

plied to 1957, the total tax burden under the 1942 formula would produce a tax 12 times greater than the tax paid in 1942. This result is completely out of proportion to the increase in assets of the business and improvement in its investment return. Since 1942 the assets of the life insurance business have increased less than three times and the rate of investment return has increased less than one-quarter of 1%.

"The Mills law will produce roughly \$285 million in revenue for tax year 1957. This amounts to a \$24 million increase over tax year 1956. This increase is proportionate to the normal growth of assets and the increase in investment return experienced by the business. On the other hand, the \$420 million produced by the 1942 formula is approximately \$135 million more than the estimate under the Mills law. To revert to the 1942 law, after having abandoned it during years of unsatisfactory revenue returns, as an unsound measure of taxable income, and later to apply it during a year for which it produces almost a 50% increase over that which would be produced by law in effect for the preceding two tax years, would be difficult to defend on any basis. After the 1942 law had been in effect for five years, everyone recognized that it was an unsound measure of taxable income. It should not be reinstated at this time just because its complicated and very artificial formula happens to produce more revenue for the tax year 1957.

"The 1942 formula, if applied to tax year 1957, would not only produce an increase of approximately 50% in the total tax burden of the life insurance business, but would cause this increase to fall unevenly on the companies. This is due to the fact that the Mills law contains a new method for the taxation of cancellable A&H insurance. A reversion to the 1942 formula would abandon this new method. Under the 1942 formula companies would pay less tax on their

A&H business. The principal burden of the increase would fall on life insurance.

"Also of significance is the fact that the 1942 formula does not provide for tax relief in the case of small companies. To encourage and protect small companies, the Mills law provided that the credit applied to the first million dollars of investment income should be 87½%. Investment income over \$1 million received a less favorable credit of 85%. This differential was adopted by the Senate finance committee to meet objections to the 85% credit presented by representatives of a group of small companies. The 1942 formula contains no credit differential in favor of small companies and if applied to tax year 1957, would result in a uniform credit to all companies of 77.66%. This would constitute a decrease in the credit allowed small companies of almost 10%."

In their joint bulletin to the life companies, the ALC and LIA stated that copies of the lengthy memorandum embracing the views of their joint tax committee will be distributed to member companies within the near future.

## Proposal Would Open Major Medical To 'Blues'

(CONTINUED FROM PAGE 1)

mium tax paid by commercial insurers but not by "non-profit" plans and of amending the state income tax laws to exempt health insurance premiums up to \$150.

Superintendent Holz has been invited to discuss the department's report on actuarial computations of the cost of non-cancellable and convertible health policies and to tell what the department has learned about conversion and cancellation practices of companies and the Blue plans.

## Indiana Life Agents Hold Busy Midyear

(CONTINUED FROM PAGE 7)

wanted the reaction of the state meeting.

The plan was heavily criticized from the floor with no comments defending it. Robert Hill, general agent Northwestern National, Evansville, summed up the objections. "Such an action will open the door to demands by all kinds of associations that the commissions on group cases in which they are interested be paid to them," he warned. "Further, in principle, this is no different from the illegal procedure of a bank, investment company, or incorporated fire-casualty agency trying to get around the law prohibiting payment of life commissions to a corporation by the device of having an agent or other representative licensed as an individual and then assigning his commissions to the company."

Oren Pritchard, Union Central Life manager, Indianapolis, and NALU vice-president, reported closer cooperation between the commissioner's department and the securities department in preventing manipulation of new company stock. He stated that "tiering" of stock values has been stopped in the state. Asked if the stock and surplus requirements for new companies should be increased, Mr. Pritchard pointed out that dou-

bling the requirements four years ago had not slowed down new-company formation. "In fact, it merely made undertaking the sale of new-company stock more attractive to securities men because it means more commissions for getting a company started.

"Our problem in the state has not been one of too-low financing requirements but of stock-value manipulation and the use of the agency-company device," he reported. "Any further increase in the funding requirements might stifle the formation and growth of legitimate new companies, something we must avoid."

In a final action, the association voted to broaden greatly the scope of the annual meeting. R. W. Osler was appointed 1958 annual meeting chairman with a carte blanche as to agenda. He was urged, however, to consider bringing in outside speakers on current problems and staging at least one open forum at which members may present views and ask questions about such problems.

## Notables Will Address LIA Annual Dec. 11-12

(CONTINUED FROM PAGE 1)

to the American embassy in Cuba, assistant secretary of state, and ambassador to Brazil.

Messrs. Rockefeller and Randall, whose addresses will round out the morning session, also have had unusual opportunities to view the international scene. Mr. Rockefeller is the founder and head of two organizations designed to promote international development—the International Basic Economy Corp. and the American International Assn. for Economic Development. He has been coordinator of inter-American affairs, assistant secretary of state, and chairman of the International Development Advisory Board. From June, 1953 to December, 1954, he was undersecretary of the Department of Health, Education & Welfare, and for a year thereafter was a special assistant to President Eisenhower on foreign affairs.

Mr. Randall is currently serving as special assistant to the President on foreign economic policy. One of the country's leading industrialists, who rose from the position of assistant vice-president to the presidency of Inland Steel Corp., he was called to his present post in Washington in 1954. He is now chairman of Inland Steel.

Secretary Mitchell, who will speak following luncheon on Dec. 12, brought to his cabinet post broad experience in the field of labor and industrial relations gained both in business and in public service. During World War II he was director of the industrial personnel division of the War Department, served concurrently as alternate for the undersecretary of war on the War Manpower Commission, and was subsequently a member of the Joint Army-Navy Personnel Board. He was made assistant secretary of army, manpower and reserve forces, in May of 1953, and was appointed Labor Secretary in October of that year.

H. Bruce Palmer, president of Mutual Benefit Life, is chairman of the committee in charge of arranging the program for the annual meeting. Other members of the committee are Paul F. Clark, chairman of John Hancock, Walter Klem, senior vice-president and actuary of Equitable Society, H. Ladd Plumley, president of State Mutual Life, and William P. Worthington, president of Home Life of New York.

## Many Agents Believe Their Demands Beget Marketing Revolution

WASHINGTON—Forty-two and one-half percent of a cross-section of National Assn. of Life Underwriters members believe field men themselves are responsible for the "widespread introduction of new and novel plans of life insurance merchandising," according to a survey made by Life Association News, NALU publication.

The News asked its "questionnaire panel" of 200 members this question: "Is a demand from field men for tools to meet competition and give the public what it wants primarily responsible for the widespread introduction of new and novel plans of life insurance and changes in life insurance merchandising?"

The largest segment—42.5%—said yes; 22.4% said maybe, and 35.1% said no.

In an analysis of the returns, the December issue of the magazine says:

"The largest number of respondents 42.5%—agree with this oft-stated line of reasoning: There is a marketing revolution taking place in life insurance; new and novel policies and techniques must be employed to help the industry get its share of the disposable dollar and to meet increasing competition from other savings media and from the manufacturers of consumer goods; loud and continuous demands from field men—plus market research—are encouraging companies to design and merchandise new types of contracts.

"Furthermore, the 'yes' respondents believe that it is a happy state of affairs when field men do influence their companies' merchandising methods and practices. If we are to keep abreast of the public's needs, they argue, it is necessary for home offices to maintain open lines of communication with the life underwriters on the sales firing line.

"Although a trifle smaller in size—35.1%—the group answering 'no' was just as vehement in substantiating its point of view.

"These underwriters agree that field men do influence many company policies and procedures. However, they deny that today's controversial merchandising policies are products of field desire or request. As one respondent put it: 'The thinking, creative agent does not create his own misery. Many of the new ideas tend to decrease the agent's commission and bypass his services.'

"Generally, the 'no' respondents feel that introduction of 'specials,' emphasis on term, and synthetic and 'jumbo' group, etc., all are home office-inspired weapons in the battle for volume and ranking.

"The 22.4% of the panelists who replied with a qualified 'maybe' tend to believe that companies, field men, and the public all share responsibility for the extensive revision of policy portfolios and methods of merchandising life insurance."

## N. C. Assn. To Meet May 23-24

North Carolina Assn. of A&H Underwriters will hold its 1958 convention May 23-24 at Raleigh. Officers of the new western North Carolina association will be installed Dec. 13 in Asheville.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, Nov. 26, 1957

	Bid	Asked
Aetna Life .....	182	186
Beneficial Standard .....	13½	14½
Business Men's Assurance .....	60	64
Cal.-Western States .....	79	82
Columbian National .....	66	69
Commonwealth Life .....	24½	25½
Connecticut General .....	245	250
Continental Assurance .....	96	100
Franklin Life .....	59	61
Great Southern Life .....	72	75
Gulf Life .....	23	24
Jefferson Standard .....	74½	76½
Kansas City Life .....	1035	1060
Liberty National Life .....	29	31
Life & Casualty .....	17½	18½
Life of Virginia .....	99½	102
Lincoln National Life .....	179	184
National L. & A. .....	90½	93
North American, Ill. .....	18½	19½
N. W. National Life .....	78	82
Ohio State Life .....	260	280
Old Line Life .....	40	44
Republic Natl. Life .....	35½	36½
Southland Life .....	68	72
Southwestern Life .....	95	100
Travelers .....	74½	75½
United, Ill. .....	19¼	21
U. S. Life .....	25½	26½
West Coast Life .....	39	41
Wisconsin National .....	62	65



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*design for tomorrow...*

Tomorrow's architecture will permit bringing the sun into homes at all seasons of the year. Thanks to movable walls and windows, and warm air curtains, you'll even sunbathe in the comfort and convenience of your home, winter as well as summer.



## OHIO NATIONAL LIFE

*agents design for tomorrow, too!*

Opportunities for selling Ohio National Life's Group Life, Pension, and Profit Sharing Plans are greater than ever before.

Both large and small business firms and their employees find Ohio National Life contracts a sound dollar-and-cents investment. Guaranteed issue, entry age normal funding, flexible schedules, competitive rates, a choice of retirement plans including split-funding plans, and many other features make them not only attractive but practical to meet every situation.

Ohio National Life agents are provided every help in the field and from the home office in writing Group Life and Pension Plans. This includes preparation of the proposal, assistance in on-the-spot presentation of the plan, and furnishing other practical suggestions and help.

Inquiries from brokers concerning either Group Life or Pension Plans, or both, are invited. Write or call.



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**Announcing**  
**STATE MUTUAL'S**  
**NEW**  
**Equity**  
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**WHOLE LIFE**  
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*Learn today how State Mutual's new Equity Builder offers new and profitable sales opportunities for aggressive General Insurance Brokers. Mail coupon for full details.*

**STATE MUTUAL LIFE**  
**ASSURANCE COMPANY OF AMERICA**  
 Home Office: Worcester, Massachusetts

★ Those who direct State Mutual agencies operate under "PAD" (Planned Agency Development)—a new and unique compensation system and agency building program.

**DESIGNED ESPECIALLY FOR**  
**SPLIT DOLLAR AND KEY MAN SALES**

A fresh and intriguing approach  
 to better employee morale through  
 greater financial security.

**IMPORTANT HIGHLIGHTS**  
 of State Mutual's New EQUITY BUILDER Policy

- Face amount \$25,000 and up.
- Death benefit before age 65, or tenth anniversary if later, face amount *plus* cash value. Thereafter, face amount only.
- Issued males actual ages 16 thru 70, females actual ages 19 thru 70.
- Females written with 3 year age rate-down credit in states where approved.
- Also available to Special Class risks up to and including Table 16.
- High cash values in early years . . . Full reserve immediately.
- Level Term to Age 65 Rider for male applicants.
- Waiver of Premium Benefit available.
- Accidental Death Benefit available with coverage continuing to age 70.
- Dividends commencing at end of 1st year.
- When used for Split Dollar sales, employee's beneficiary assured of at least full face amount.

**STATE MUTUAL LIFE ASSURANCE COMPANY**  
**WORCESTER, MASSACHUSETTS**

Please rush full information about your new Equity Builder policy designed especially for Split Dollar and Key Man Sales.

Name .....

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